

CITY OF BURLINGTON NORTH CAROLINA

"Connecting the Triad & Triangle"



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF BURLINGTON

FISCAL YEAR ENDED JUNE 30, 2014



CITY COUNCIL

RONNIE K. WALL, MAYOR
DAVID R. HUFFMAN, MAYOR PRO TEM
ROBERT M. WARD, COUNCILMEMBER
CELO I. FAUCETTE, JR., COUNCILMEMBER
JAMES B. BUTLER, COUNCILMEMBER

CITY MANAGER
HAROLD OWEN

DIRECTOR OF FINANCE AND RISK MANAGEMENT
PEGGY B. REECE, CPA

Prepared by the City of Burlington Finance Department

CITY OF BURLINGTON, NORTH CAROLINA

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CITY OF BURLINGTON

P.O. Box 1358~ Burlington~ North Carolina 27216~1358

FINANCE DEPARTMENT

Phone (336) 222-5060

October 28, 2014

The Honorable Mayor, Members of the City Council, and Citizens of the City
of Burlington, North Carolina:

The **Comprehensive Annual Financial Report** of the City of Burlington, North Carolina, for the year ended June 30, 2014, is submitted for your review. This report was prepared by the City's Finance Department and it is the comprehensive publication of the City's financial position and results of operations for the fiscal year ended June 30, 2014, for all funds and the component unit of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Burlington's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the data, as presented, are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component unit of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required by North Carolina General Statutes Section 159-34 to have an annual independent audit. A compliance audit on federal and state financial assistance programs is also required under the Federal Single Audit Act of 1984 and the U. S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and the State Single Audit Implementation Act. The City of Burlington's financial statements have been audited by Stout, Stuart, McGowen & King, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burlington for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Burlington's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is included in the financial section of this report. In addition, the auditor's report, required as part of a single audit, is found in the Single Audit Section of this report. This report focuses not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements involving the administration of state and federal awards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Burlington's MD&A can be found immediately following the report of the independent auditor.

CITY PROFILE

The City of Burlington, incorporated on February 14, 1893, is located in the Piedmont Region of Central North Carolina along Interstate Highways 85/40. The City is the largest municipality in Alamance County, with a land area of 34.75 square miles and a population of 51,510. The City is empowered by statute to levy an annual ad valorem property tax on the appraised value of all real and tangible property except manufacturers, retailers and wholesalers inventory located therein. The City is also empowered by statute to extend its corporate limits by annexation. Since January 1980, the City has annexed 18.06 square miles, which includes its most recent annexations of .003 square miles. These annexations represent industrial and institutional properties. The City generally annexes on a voluntary basis.

The City of Burlington operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and four council members. The City Council members are responsible for the government and general management of the City, approve and amend all general and technical ordinances, including budgetary appropriations and construction and zoning ordinances, approve all contracts, and appoint the City Manager and City Attorney. Council members are elected at large to four-year staggered terms, and the Mayor is elected to a two-year term. The Mayor presides at all meetings of the City Council, and has the right to vote upon all issues, but has no additional vote in case of a tie and no veto power.

The City Manager is responsible for carrying out the policies and ordinances of the Council and administering the daily operations and programs of the City through appointed department heads and their staff members.

The City of Burlington provides a full range of services to its citizens, including police and fire protection, construction and maintenance of streets and other infrastructure, traffic control, recreational activities, cultural events, and sanitation in the form of solid waste collection. The City also owns and operates a cemetery and a golf course. In addition, the City operates a water treatment and distribution system, a sewer treatment and collection system, and a storm water fund.

The annual budget serves as the foundation for the City of Burlington's financial planning and control. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year for all funds for which an annual budget is required. Activities of the General Fund, Special Revenue Funds (except for Grant Project Funds), and Proprietary Funds are included in the annual appropriated budget. Project-length financial plans are adopted for Grant and Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by the department level within the funds. Any increase or decrease in the original budget as adopted must be approved by City Council. The City also maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year end; however, outstanding encumbrances generally are re-appropriated as part of the following year's budget. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund the budgetary comparison is presented in Exhibit 5, page 7, as part of the Basic Financial Statements pertaining to the governmental funds. For other governmental funds with annual and project-length budgets, detailed

budget to actual comparisons are presented in the supplementary information subsection of this report, which starts on page 71.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burlington, North Carolina operates.

Local Economy

The City of Burlington's economy has seen a significant rise in the GDP within the past year according to Dixon Hughes Goodman Triad Business Index. The City itself has continued to maintain the cost-saving mindset begun in the fall of 2008. There continues to be opening and closing of some small retail stores and businesses throughout the area. There have been no significant losses of businesses. The year ended June 30, 2014, has seen a minimal increase in the water and sewer revenues. Below you will find noted some of the more significant economic activity occurring in the area.

Downtown Burlington is continuing to see a revitalization effort that began with the opening of the Company Shops Market over three years ago. There are several events scheduled throughout the year that bring patrons to the downtown area during the evening hours. Currently, a building renovation is taking place on an old structure that will house business shops on the bottom floor and a restaurant on the top floor.

The Burlington-Alamance Regional Airport is home to numerous aviation related businesses employing over 150 people and providing services to customers around the globe. They are proud to be the home of the World Headquarters of the jet engine manufacturer Honda Aero. In a continual state of growth and development, the airport now boasts a runway length of 6,405 feet. The runway will now accommodate planes as large as a Boeing 737 aircraft. Each day, the Burlington-Alamance Regional Airport confirms its place as an integral tool within the community economic development system.

Alamance Regional Medical Center, a part of the Cone Health network, has completed its \$60 million dollar expansion. The expansion included a state-of-the-art cancer center, an expanded day surgery area, larger operating rooms, and a larger emergency department.

Sheetz, a family-owned convenience store chain, will be holding their ribbon-cutting ceremony on its new distribution and manufacturing facility in November 2014. Their new facility in Burlington will support the company's retail locations in Virginia, West Virginia, and North Carolina. The new, 250,000 square-foot center will represent a \$32.8 million investment in the community and bring 253 new jobs.

Walmart is another corporation choosing to build a distribution center approximately 5 miles to the east of Burlington. While this center is not within the City limits of Burlington, it will still have an impact. Walmart originally planned to build a 450,000 square foot distribution center at the 186 acre site south of interstate 85. However, this past summer, the company notified surrounding municipalities that they were also going to add another 77,000 square feet to use for Sam's distribution. The first facility is expected to hire 450 employees and with the addition another 100 individuals are expected to be hired. Walmart is investing approximately \$85 million at the site which is expected to open in 2016.

Shown below are the ten largest employers within the City of Burlington.

**City of Burlington, North Carolina
Principal Employers
June 30, 2014**

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Alamance-Burlington School Sys	Public Education	3,329
LabCorp, Inc.	Medical supplies, services & facilities	2,500
Alamance Regional Medical Ctr	Health Care	2,240
Elon University	Higher Education	1,403
Wal-Mart Stores, Inc.	Retail Sales	1,000
Alamance County Offices	Local Government	956
City of Burlington	Local Government	806
GKN Driveline North America	Automotive Equipment	800
Alamance Community College	Higher Education	652
Honda Power Equipment	Equipment	600

Alamance County's unemployment rate is heading down after the peak reached in January of 2010 as evidenced in the following table.

	% Unemployment (Alamance County)										
	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>
Jan	6.9	6.0	5.6	5.7	5.5	10.1	13.1	11.1	9.7	9.3	6.7
Feb	6.7	6.5	5.8	5.5	5.6	10.7	13.0	10.8	9.6	8.8	6.4
Mar	6.4	5.9	5.2	4.9	5.4	10.8	12.4	10.3	9.1	8.3	6.4
Apr	6.1	5.6	5.0	4.8	5.3	11.2	11.7	9.9	8.7	8.0	5.8
May	6.3	6.0	5.5	5.0	5.9	11.4	11.7	10.2	9.1	8.3	6.5
Jun	6.8	6.3	6.0	5.4	6.5	11.9	11.8	10.9	9.7	8.8	6.3
Jul	6.4	6.5	6.2	5.5	6.9	12.3	11.7	10.9	10.0	8.5	6.9
Aug	6.1	6.3	5.8	5.1	7.1	12.0	11.4	10.7	9.5	7.9	
Sept	5.5	5.9	5.3	4.7	6.8	11.7	10.6	9.8	8.5	7.2	
Oct	6.2	5.9	5.1	4.8	7.1	11.8	10.5	9.8	8.6	7.2	
Nov	6.0	6.0	5.3	4.9	7.9	11.9	10.9	9.4	8.5	6.8	
Dec	5.8	5.4	4.9	5.1	8.8	12.2	10.6	9.4	8.6	6.4	

Source: Bureau of Labor Statistics

The following is a comparison of average annual unemployment rates (%) for the County, State and United States. The average unemployment rate in Alamance County and the nation for the seven months calendar year-to-date is 6.4%. The state's rate for this same time period is a little higher at 6.6%.

Comparison of average annual unemployment rates (%) for the County, State & US

Year	County	State	US	Year	County	State	US
1998	2.9	3.4	4.5	2007	5.1	4.8	4.6
1999	2.5	3.2	4.2	2008	6.6	6.3	5.8
2000	3.5	3.6	4.0	2009	11.5	10.4	9.1
2001	5.6	5.6	4.7	2010	11.6	10.8	9.6
2002	7.2	6.6	5.8	2011	10.3	10.2	9.0
2003	7.2	6.5	6.0	2012	9.1	9.2	8.1
2004	6.3	5.5	5.5	2013	8.0	8.0	7.4
2005	6.0	5.3	5.1	2014	*6.4	*6.6	*6.4
2006	5.5	4.8	4.6				

*Through July 2014

Source: Bureau of Labor Statistics

The City has maintained a stable financial condition in spite of the continued lackluster in the national and local economy. As mentioned previously, the Dixon Hughes Goodman Triad Business Index indicates strong growth of GDP in the past year for the City of Burlington. The number of building permits are consistent with the numbers issued in the previous fiscal. Both of these are indications of the economy turning around for the City of Burlington.

Located on the Interstate Highways 85/40, between the larger cities of Greensboro (to the west) and Raleigh (to the east), the City of Burlington remains in an ideal position for growth. In addition, the Burlington Downtown Corporation, a component unit, has initiated a master plan for redevelopment of the downtown area. The Company Shops Market, a cooperatively owned, full-service grocery store and café opened in May of 2011. In the spring of 2013, Elon University opened a 1,700-square-foot building, located across the street from May Memorial Library. This building headquarters both the Village Project - an afterschool tutoring program through the university's school of education - and the Kernodle Center for Service Learning and Community Engagement, both of which have drawn foot traffic downtown. Currently, another building is undergoing renovation with plans for a restaurant and business offices.

Another major milestone for the City of Burlington is the decision by City Council in June of 2014 to bring a mass transit system to the City. Offers were extended to surrounding municipalities to participate in the system with the City of Burlington, but Gibsonville, is the only municipality that chose to participate. Currently, staff is meeting weekly to get the process begun. It is anticipated that it will take a couple of years to get the busses actually rolling down the streets of Burlington.

Long-term Financial Planning

(1) Water and Sewer Resources Issues/Stormwater Issues

The City (Engineering) has continued to administer construction contracts for the replacement of deteriorating two-inch water lines. This is an ongoing process for the water and sewer distribution systems.

Work has begun on two outfall lines that are beginning to show wear & tear from their age, the Little Alamance Creek Sewer outfall and the Haw River Interceptor. The Little Alamance Creek Sewer outfall is approximately 85% complete while work on the first phase of Haw River Interceptor is only 10% complete. The remaining two-thirds of the Haw River Interceptor is in the process of being designed.

Two separate series of Revenue Bonds were issued by the City of Burlington, the first in December 2010 and the second in October 2011. The first series primarily covered the repairs for the Stoney Creek Dam and the Lake Cammack Dam. Repairs made to both dams involved the installation of a series of post-tensioned anchors installed by drilling vertically through the dam into the bedrock below the dam. The multiple anchors provide the required stability during the design storm. Additionally, the earthen embankments and abutments were reinforced/raised. Repairs to the dams were completed by 2011.

- (2) The remainder of the first series 2010 and all of the series 2011 Revenue Bonds covered the changes necessary to both the South Burlington Waste Water Treatment Plant and the East Burlington Waste Water Treatment Plant to bring them in compliance with the Jordan Lake Rules. It is estimated that the upgrades to the plants are 95% complete.

The B. Everett Jordan Reservoir Water Supply Nutrient Strategy (also called the Jordan Lake Rules) is a comprehensive set of rules enacted by the North Carolina Environmental Management Commission and the North Carolina General Assembly in 2009. Jordan Lake Rules are regulations to remove excessive nutrients that result from runoff from treatment plants, agriculture, etc. from surface waters that feed into Jordan Lake and to minimize nutrient impact in an effort to restore water quality at Jordan Lake.

- (3) ERP

Enterprise Resource Planning (ERP) is a financial and business computer system that integrates all departments and functions across the City with one single, powerful, yet easy to use, computer system. Due to constant changes in the computer/information technology field, as well as changes in federal and state laws, there will always be updates to our existing software that need to be implemented. The City is in process of implementing three new payment technologies. The first one is for customers to be able to pay their property taxes on line. The second is a system updating its on line payment capabilities for water and sewer bills. The third system is for the City to use purchasing cards that will enable the City to take advantage of rebates earned from using said cards.

- (4) Transportation

The City Council approved a motion in June for the City to provide a bus transportation system. There are federal monies available to help with the capital purchases and the operations of a transportation system. It is estimated that the bus transportation system will cost the City approximately \$500,000 in annual operational expenditures.

- (5) Fire Station

The City has bought land and is currently near the end of the design phase of a new fire station for the western section of the City that has seen significant growth over the past several years. Once the design is completed by the architect, bids will be solicited for the construction of the fire station. The fire station is expected to open in the end of 2015. This new station will create the need to hire new staff to man the new fire station.

(6) Capital Improvements

In keeping with the City's goal of reducing expenditures, several capital projects were delayed.

Community Development Block Grant (CDBG) funds were used during the year for several projects meeting the requirements for use of those funds.

Housing Projects: The Housing Rehabilitation Program provided funds to correct Minimum Housing Code violations, to reduce lead-based paint hazards and to improve the energy efficiency in single-family dwellings occupied by low- and moderate-income households. As of June 30, 2014, the City completed the rehabilitation of eleven (11) owner-occupied houses. As a further strategy to create opportunities for homeownership for low and moderate-income households, the City supported the activities of non-profits to develop affordable housing. The City assisted Alamance County Community Services Agency (ACCSA), its Community Housing Development Organization (CHDO), continued endeavors to develop homes at the Apple Tree Village subdivision on city-owned lots. During the program year 2013 ACCSA worked on crediting issues with another potential homeowner with a goal of starting a new project in program year 2014.

Public Facilities: In the five-year strategic plan, CDBG proposed to undertake one new public facility or infrastructure improvement project per year to ensure new or improved availability/access to a suitable living environment for low- and moderate-income area residents. During the program year, the City launched several projects that include a sidewalk project along Mebane St.; installed a new crosswalk at the intersection of St. Graham Hopedale Rd. and Mebane St.; installed a new shade structure at Fairchild Park Community Center; installed a roof at Residential Treatment Service's Hall Avenue facility; completed structural repairs and parking lot improvements at Allied Churches; installed a generator at Fairchild Park Community Center; and assisted in funding for material and books at the North Park Library.

The CDBG Division also established multiple projects for the upcoming fiscal year 2014-15.

(7) Plans For Debt Issuance

There are plans to continue the annual installment purchase agreement that provides funding for approximately \$1 million to \$1.5 million in capital equipment in the General Fund that the City purchases each fiscal year. This policy allows for ongoing purchases of equipment without causing major fluctuations in each annual budget.

Awards and Acknowledgements

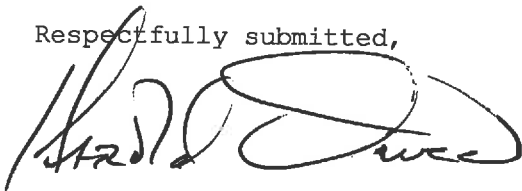
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burlington for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the fifteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this comprehensive annual financial report would not have been possible without the dedication and collective efforts of the entire staff of the Finance and Risk Management Department. We would like to take this opportunity to express gratitude to all members of the department for their efforts. In addition, it is also important to express appreciation to the City Department Heads who supply information regarding the numerous projects with which they are involved.

Finally, credit must be given to the Mayor and City Council members for their unfailing support and for maintaining the highest standards of professionalism and fiduciary responsibility in the management of the City of Burlington's finances.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read "Harold T. Owen".

Harold T. Owen
City Manager

A handwritten signature in black ink, appearing to read "Peggy B. Reece".

Peggy B. Reece, CPA
Director of Finance & Risk Management



Government Finance Officers Association

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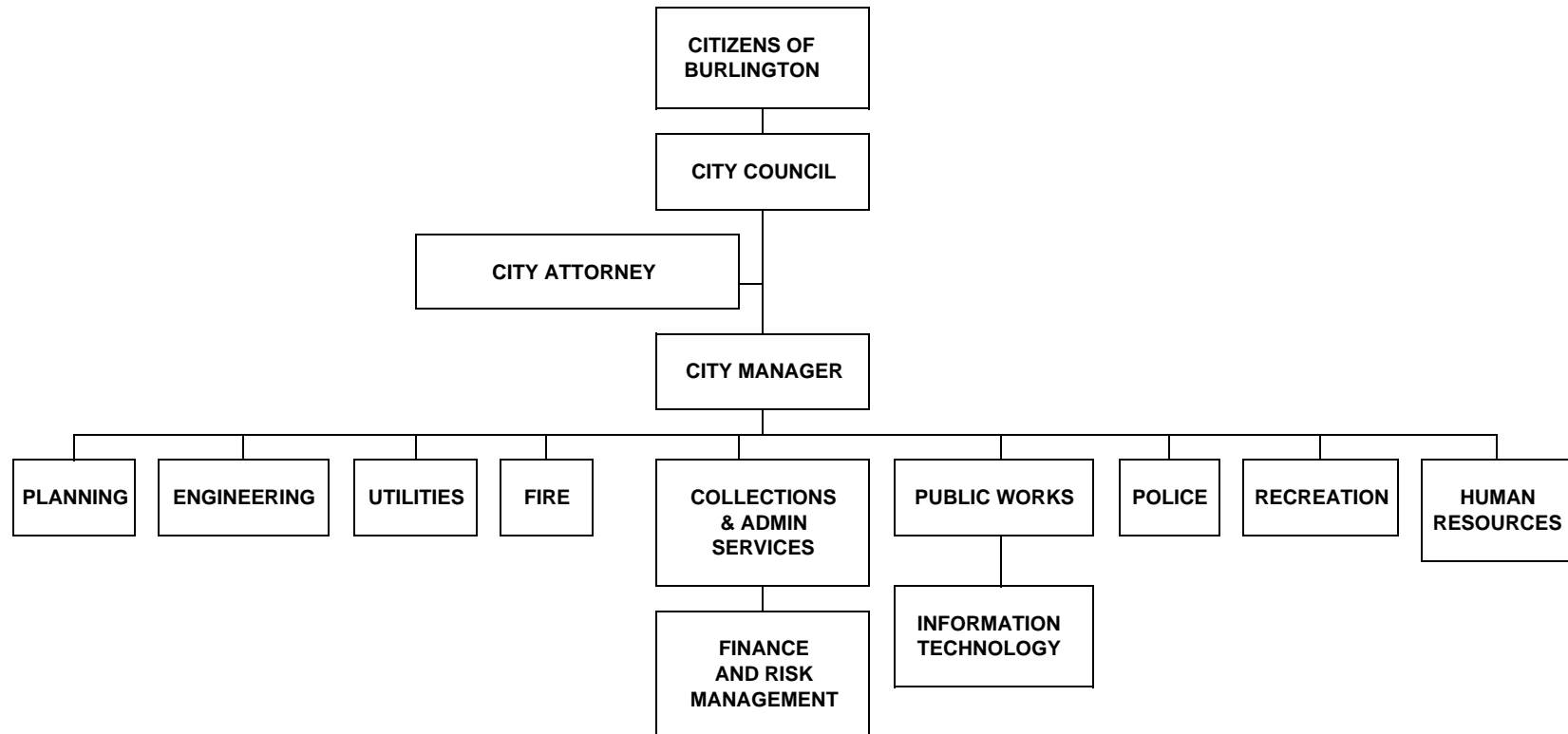
**City of Burlington
North Carolina**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

June 30, 2013

Executive Director/CEO

CITY OF BURLINGTON, NORTH CAROLINA
ORGANIZATIONAL CHART



CITY OF BURLINGTON

List of Principal Appointed Officials For the Fiscal Year Ended June 30, 2014

City Manager	Harold T. Owen
City Attorney (Interim)	Charles L. Bateman
Director of Administrative Services and Revenue Collections	Frank F. Hope, III
Utilities Director	Robert Patterson, Jr.
Human Resources Director	Aaron P. Noble, Jr.
Recreation and Human Services Director	Anthony G. Laws
Public Works Director	Nolan Kirkman
Director of Finance and Risk Management	Peggy B. Reece, CPA
Police Chief	J. Jeffrey Smythe
Fire Chief	Jay A. Smith
Director of Information Technology	Rodger Burden
City Engineer	Albert L. Rhew
City Planner	Amy L. Nelson





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INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of and for the year ended June 30, 2014, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of Burlington Downtown Corporation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance's and the Other Postemployment Benefits' Schedules of Funding Progress and Schedules of Employer Contributions on pages xv through xxxi and 43 through 46 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United State of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying schedule of expenditures of federal and state awards as required by U.S. Office of management and Budget Circular A-133, , *Audits of State and Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of Federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion based on our audit, the procedures performed as described above, and the combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2014 on our consideration of the City of Burlington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Burlington's internal control over financial reporting and compliance.

STOUT STUART MCGOWEN & KINGS LLP

October 28, 2014

City of Burlington, North Carolina

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Burlington, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City of Burlington for the fiscal year ended June 30, 2014. The Management's Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial condition, identify material deviations from the financial budget, and identify individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter, which can be found on pages i-viii of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Burlington exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$284,126,903 (net position). Of this amount, \$86,333,813 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$10,214,844 (3.73%) compared to fiscal year 2013. The governmental net position increased by \$2,569,119(2.20%), and the business-type net position increased by \$7,645,725 (4.86%).
- During the year, the City's governmental expenses were \$51,820,937, an increase of \$896,789, while expenses in the business-type activities were \$22,521,451, a decrease of \$988,211.
- At the end of the fiscal year, the City of Burlington's governmental funds reported combined ending fund balances of \$60,760,700, an increase of \$1,623,530 in comparison with the prior year. Approximately \$8,840,182 (or 14.5%) is available for spending, with \$44,965,538 designated for specific purposes. For example, \$483,457 is externally restricted by nature of the Special Revenue Funds.
- At the end of the year unassigned fund balance for the General Fund was \$8,881,287, or 17.3% of total General Fund expenditures of \$51,219,877.
- The General Fund budget for fiscal year ending 6/30/14 was adopted with a \$.58 per \$100 assessed valuation tax rate, which is the same as fiscal year 2012-2013.
- The City of Burlington's total long-term debt decreased \$3,621,766. There was a decrease of \$891,240 in the governmental activities and a decrease of \$2,730,526 in the business-type.

The City has maintained its GO bond rating with both Standard & Poor's Corporation at AA and Moody's at Aa2. In July 2014, the City's GO bonds were reviewed by Standard & Poor's and its ratings were affirmed. The City has

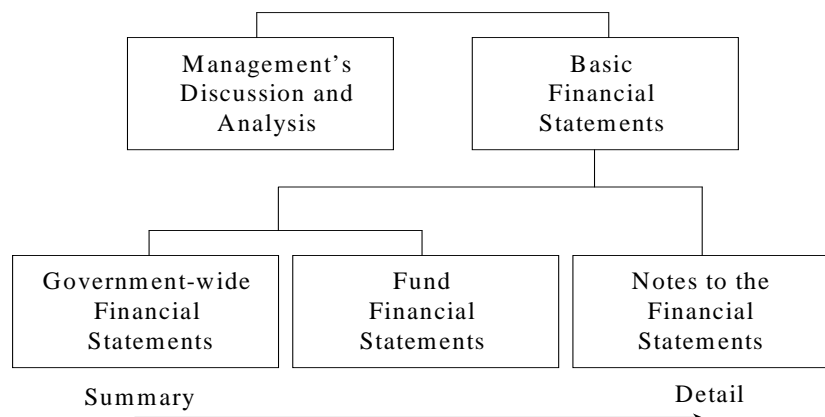
also maintained the same ratings of its 2011 and 2010 Revenue Bonds. In August 2014, the City's Revenue bonds were reviewed by Standard & Poor's and its ratings were affirmed. The 2010 and 2011 Revenue Bonds were rated AA at Standard & Poor's Corporation and Aa3 at Moody's. As a side note, the City's 2004 COPS were defeased with the issuance of the 2010 Revenue Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Burlington's basic financial statements. The City's basic financial statements consist of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Burlington.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 8) are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: (1) the governmental funds statements; (2) the budgetary comparison statements; and (3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to

show details about the City's individual funds. Budgetary information required by the NC General Statutes also can be found in this part of the statements.

A. Government-wide financial statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, public works, parks and recreation, and general administration. Property taxes, sales taxes, and State and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to help cover the cost of certain services it provides. The City's water and sewer activities are included in this category. The final category is the component unit. The City includes one discretely presented component unit entity in its report. Financial information for the Burlington Downtown Corporation is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are Exhibits 1 and 2 of this report.

B. Fund financial statements

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Burlington, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements such as the General Statutes of North Carolina and the City's budget ordinance. The fund financial statements provide more detailed information about the City's major funds while focusing on the fiscal accountability, and are used to account for specific sources of funding such as those required by state law, bond covenants, and spending for particular purposes. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's

programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Burlington adopts an annual appropriated budget for its General Fund, as required by the General Statutes of North Carolina. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the City Council; (2) the final budget as amended by the City Council; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds of two different types are maintained by the City of Burlington. *Enterprise funds* are used to report the same functions presented as business-type activities; that is, the water and sewer operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Burlington's various functions. The city uses internal service funds to account for its self-insured dental, health, and workers' compensation benefits. Because these internal service funds benefit both governmental and business-type activities, they have been allocated to both based on their respective percentage of personnel costs (including fringe benefits) to total personnel costs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Resources Fund and the Storm Water Fund, the only two enterprise fund operations of the City of Burlington.

The basic proprietary fund financial statements can be found on pages 8-11 of this report.

C. Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-42 of this report.

D. Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Burlington's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 43 of this report.

E. Interdependence with Other Entities

The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Burlington, assets and deferred outflows exceeded liabilities and deferred inflows by \$284,126,903. The City's net position increased by \$10,214,844 for the fiscal year ended June 30, 2014. However, the largest portion (55.2%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The City of Burlington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Burlington's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate those liabilities. An additional portion of the City of Burlington's net position (13.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$86,333,813 is labeled as unrestricted on Exhibit 1. However, included in this unrestricted amount are funds that the City has assigned to future purposes/projects, leaving an unassigned balance of \$8,840,182 as found on Exhibit 3.

At the end of the current fiscal year, the City of Burlington is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Figure 2**City of Burlington's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current and other assets	\$ 78,550,905	\$ 76,504,583	\$ 63,103,072	\$ 64,482,987	\$ 141,653,977	\$ 140,987,570
Capital assets	61,081,240	60,955,696	148,860,731	142,280,315	209,941,971	203,236,011
Deferred outflows of resources		-		-	-	-
Total assets and deferred outflows of resources	139,632,145	137,460,279	211,963,803	206,763,302	351,595,948	344,223,581
LIABILITIES						
Current and other liabilities	6,563,568	5,983,211	6,070,636	5,761,317	12,634,204	11,744,528
Long-term liabilities:	13,526,672	14,522,952	41,070,315	43,824,858	54,596,987	58,347,810
Deferred inflows of resources	237,854	219,184		-	237,854	219,184
Total liabilities and deferred inflows of resources	20,328,094	20,725,347	47,140,951	49,586,175	67,469,045	70,311,522
NET POSITION						
Net investment in capital assets	49,762,940	48,383,850	107,207,635	105,523,250	156,970,575	153,907,100
Restricted	19,635,641	18,392,387	21,186,874	17,544,176	40,822,515	35,936,563
Unrestricted	49,905,470	49,958,695	36,428,343	34,109,701	86,333,813	84,068,396
Total net position	\$ 119,304,051	\$ 116,734,932	\$ 164,822,852	\$ 157,177,127	\$ 284,126,903	\$ 273,912,059

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net position:

- The property tax rate remained the same at \$0.58 per \$100 assessed valuation, while the property tax base increased 3.94% due to minimal annexation and the overall increase in the tax base value of the original tax base. This resulted in a slight increase in revenues collected for property taxes.
- A larger impact to the property taxes is the change in the manner in which vehicle taxes are collected. Instead of the traditional manner of collections, through the county for property tax on vehicles, the State changed the collection method to being collected by the Division of Motor Vehicles when individuals renew their tag for their vehicle, individuals must now first pay their property taxes before receiving their new or renewed license tag. Due to the overlapping of the two collection methods, there was 15 months of revenue in the fiscal year, 2014.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.43%, which is above the statewide average of 97.52%.
- Sales tax revenues increased by 5.2%, continuing a trend from last year. Once again, this is primarily attributed to the Tanger Outlet that opened in November 2010 which is believed to have brought new purchasing traffic from outside the area, as opposed to just moving the sales traffic from one store to another within the county. This is supported by the fact that Alamance County was one of the few counties in the state to have an increase in sales tax revenues.

The Capital Reserve Fund's Restricted Net Assets increased by \$304,648. There was \$620,000 transferred out to capital projects as the expenses for this fund in the year ending June 30, 2014. There were revenues to offset these capital expenditures. The revenue was from two sources, one being interest income earned and the second being a transfer from the General Fund for \$920,540.

Figure 3

City of Burlington's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 7,538,977	\$ 7,218,631	\$ 21,449,455	\$ 20,788,426	\$ 28,988,432	\$ 28,007,057
Operating grants & contributions	5,555,035	3,691,258			5,555,035	3,691,258
Capital grants & contributions			2,435,648	66,500	2,435,648	66,500
General Revenues:					-	-
Property taxes, levied for general purpose	26,866,560	26,742,991			26,866,560	26,742,991
Other taxes	10,407,641	9,934,320			10,407,641	9,934,320
Grants and contributions not restricted to specific programs	3,782,273	3,494,676			3,782,273	3,494,676
Other	239,570	676,779	6,282,073	5,135,304	6,521,643	5,812,083
Total Revenues	54,390,056	51,758,655	30,167,176	25,990,230	84,557,232	77,748,885
Expenses:						
General government	9,149,871	9,309,902			9,149,871	9,309,902
Public safety	22,743,048	23,113,039			22,743,048	23,113,039
Public works	11,131,728	8,760,799			11,131,728	8,760,799
Economic and physical development	1,474,928	1,368,876			1,474,928	1,368,876
Cultural and recreation	6,957,606	6,993,217			6,957,606	6,993,217
Interest on long-term debt	363,756	1,378,315			363,756	1,378,315
Water and sewer			22,521,451	23,509,662	22,521,451	23,509,662
Total Expenses	51,820,937	50,924,148	22,521,451	23,509,662	74,342,388	74,433,810
Change in Net Position before transfers	2,569,119	834,507	7,645,725	2,480,568	10,214,844	3,315,075
Transfers	-	-	-	-	-	-
Increase in net position	2,569,119	834,507	7,645,725	2,480,568	10,214,844	3,315,075
Net position-beginning	116,734,932	116,066,135	157,177,127	154,696,559	273,912,059	270,762,694
Prior Period Adjustments		(165,710)			-	(165,710)
Net position-beginning (re-stated)	116,734,932	115,900,425	157,177,127	154,696,559	273,912,059	270,596,984
Net position-ending	119,304,051	116,734,932	164,822,852	157,177,127	284,126,903	273,912,059

Governmental activities

Governmental activities increased the City's net position by \$2,569,119, thereby accounting for 25.2% of the total growth in the net position of the City of Burlington. The increases came from the following funds:

- Sales tax revenues increased approximately \$486,553 over the prior year in the General Fund, maintaining the increase in sales from the last year, attributable to an overall favorable outlook on the economy by consumers.

- Property taxes increased a modest \$123,569 over the prior year in the General Fund. This is the net result of the gain from the new collection method for vehicle taxes versus the reduction in other property taxes due to not having the additional ½ year of property tax revenues included in the prior year's property tax revenues.
- Charges for services increased by \$320,346 in the General Fund. The primary area affecting this increase is an increase in sanitation fees. The remaining increases are due to various increases in both the Police and Cultural and Recreational divisions.
- Contributing to the net increase in net position is the increase in capital assets (net of depreciation) by approximately \$125,544.

Offsetting these increases are the following decreases in revenues and increases in expenses:

- For all of the internal service funds, which are the Dental Self Insurance Fund, Workers Compensation Self Insurance Fund, and Group Health Self Insurance Fund, claims were more than expected and resulted in approximately \$1,003,442 decrease in net position.
- A transfer of \$620,000 into the General Fund from the Capital Reserve Fund was made for the capital purchase of a fire truck not included in the original budget. The Fire Department had the opportunity to purchase a demo model for substantial savings.
- One other accrual increased from the prior year as well, the OPEB liability went up approximately \$302,874.
- Depreciation expense decreased \$23,812 from the prior year.
- Accrued vacation increased \$59,368.

Figure 4

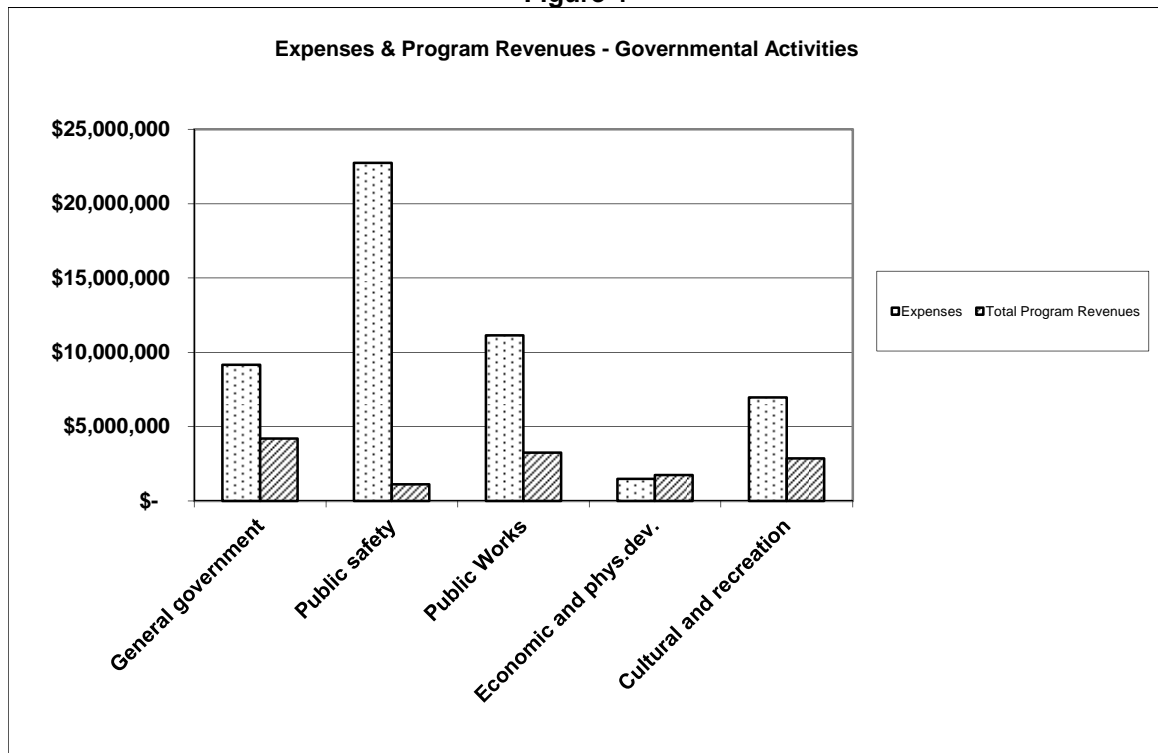
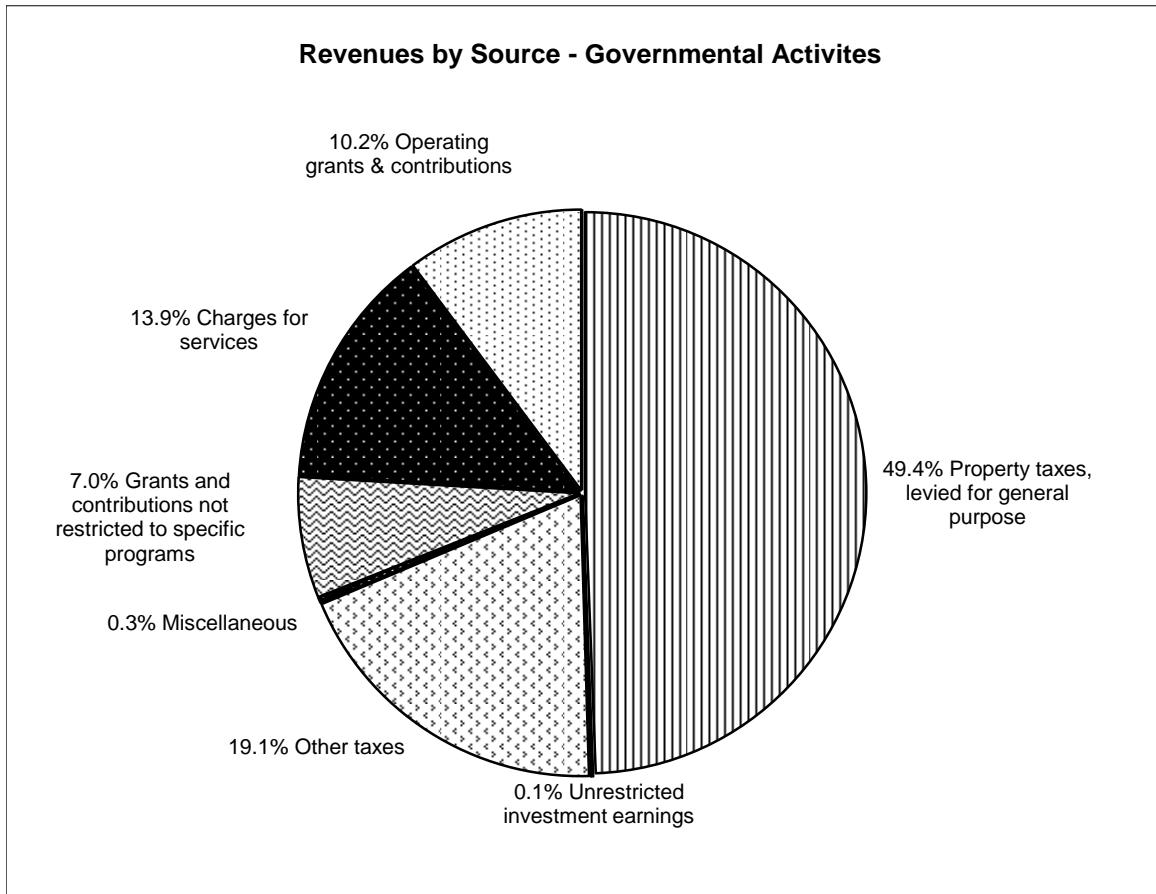


Figure 4 (continued)



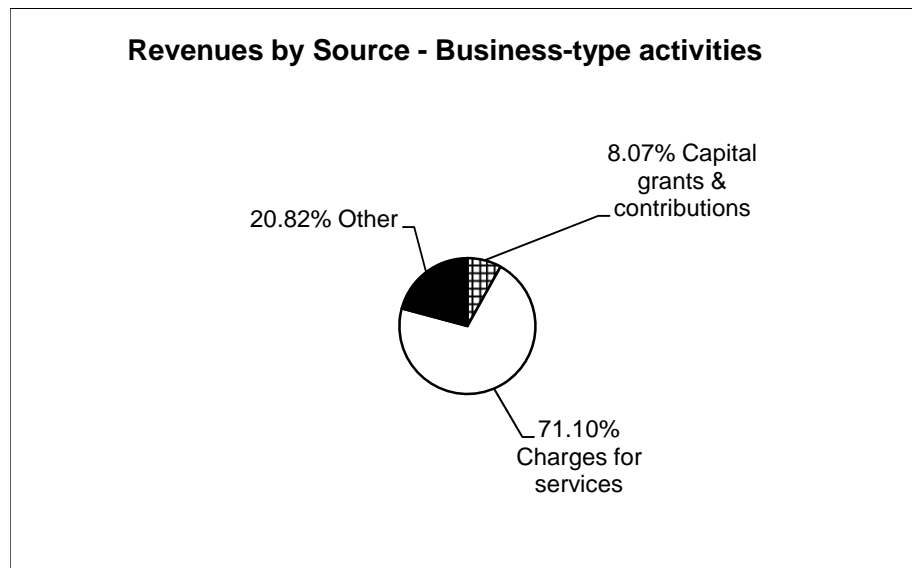
- Ad valorem taxes provided 52.0% of the revenues for governmental activities in the General Fund, with other taxes and licenses providing 21.1% of revenues in the General Fund also.
- Total expenses increased approximately \$896,789 or 1.76%. With revenues increasing approximately \$2,631,401 million or 5.08%, the total net position increase was 2.20%. Expenses are up due to three major factors. First, there was an unexpected cost due to the March ice storm that was declared a FEMA event (approximately \$2 million). Second, there was the much needed fire truck (approximately \$620,000). Third, there were three properties the City was required to demolish due to being declared an unsafe and imminent hazard. For general government operations, medical expenses increased approximately \$135,000. Offsetting these increases is a reduction in interest expense (approximately \$1 million). This reduction is due to the fact that in the prior year debt was paid off early and one debt was refinanced which included an advanced refunding. Although expenses are up, compared to years past this figure is extremely low and shows how management continues to do a remarkable job finding ways to save money in the long-run.

Business-type activities

Business-type activities increased the City of Burlington's net position by \$7,645,725, accounting for 74.8% of the total growth in the government's net position. Key elements of the increase in net position include some increases and decreases and are as follows:

- In fiscal year 2013-2014, business type activities revenues increased 3.1% for the Water Resources Fund. The first factor was due to a 2.5% rate increase instituted by the City of Burlington for the 2013-2014 fiscal year in the Water Resources Fund. The rate increase amounted to approximately a 2.5% increase for water and sewer rates for all customers, inside and outside the corporate city limits. Even with this increase, Burlington's rates continue to remain below other cities with similar collection and distribution systems.
- Interest expense decreased by \$180,533. This is from the normal attrition of interest being reduced as principal is paid down.
- Offsetting the decrease in interest expense is an increase in the OPEB liability of approximately \$91,640.

Figure 5



- Another factor in the increase in revenues was due to an overall increase in consumption. Sales to the City of Greensboro decreased but this was more than offset by increased consumption by the citizens of Burlington and other outside customers.
- Expenses decreased 4.2% or \$988,211 overall. Operational expenditures were approximately \$476,549 more than in the prior year. Building and administrative services were up \$329,768 which includes 19,000 for new unemployment insurance. Water & sewer line supervision is \$115,000 higher than last year which is due to vacant positions being filled. Line maintenance and repairs is up \$288,309 due to more work getting completed. Storm water maintenance and repairs is down \$81,500 as well as storm water personnel services are down \$70,000 from the prior year. Overall

depreciation expenses were \$194,000 higher than in the prior year. Offsetting these increases in operational expenses was a decrease in interest expense of \$180,533 and a decrease of \$1,209,767 of miscellaneous non-operating expenses. This decrease is due to a change in accounting practice such that all activity through the Income (loss) before contributions and transfers on Exhibit 7 (page XX) now represents just the Water and Sewer Fund. Previously, there were capital projects included in these numbers. It was thought that the current presentation gives a better portrayal of the Water and Sewer Fund alone.

- The City operates two enterprise funds, the Water Resources Fund that constitutes most of the business-type activities, and the Storm Water Fund. There is a small allocation of the internal service funds included in the business-type activities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Burlington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Burlington's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Burlington. At the end of the current fiscal year, fund balance available in the General Fund was \$8,881,287, while total fund balance reached \$34,747,590. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 17.3% of total General Fund expenditures.

At June 30, 2014, the governmental funds of the City of Burlington reported a combined fund balance of \$60,760,700, a \$1,623,530 increase over last year. Key factors (increases and decreases) in the changes of the fund balances for the governmental funds are noted below:

- The capital reserve fund had a net increase \$304,648, due in part to a contribution from the general fund, offset by a transfer out of \$620,000 to the general fund to purchase a much needed new fire truck.
- The Home Program, the Community Development Block Grant, and the Rental Rehabilitation Loan Programs when netted altogether, used and thus decreased fund balance by \$308,920.
- The RICO fund had an increase in fund balance by \$58,408 after receiving monies from prior drug raids, offset by purchasing a computer based training program, advanced training targets, (20) rifles, (7) handguns and updates to several software programs.
- The \$1,262,659 increase in fund balance in the General Fund is indicative of the management strategy employed by the City's top officials. Revenues did see increases in property taxes, sales taxes and permits. The increase in property taxes is primarily due to the changes in the collection method for vehicle property taxes. Vehicle property taxes are now collected through the NC State Division of Motor Vehicles along with the vehicle tag. As mentioned above, sales taxes is up due in part to consumer confidence as well as a variety of shopping centers such as Alamance Crossing, Tanger Outlet, and various boutiques across the

county. Building permits are up, representative of interest rates remaining relatively low to help boost the construction industry.

General Fund Budgetary Highlights. During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Differences between the original budget and the final amended budget were approximately a \$7.3 million increase in appropriations, and the main items can be briefly summarized as follows:

- \$1,619,502 capital equipment financed consisting of eight marked police vehicle packages and two unmarked police vehicles (\$329,000), a side loading trash truck (\$175,000), a rear loading trash truck (\$170,000), two 3-wheel interceptors (\$66,000), replaced giant vacuum system (\$60,000), and various other purchased equipment (\$241,605)
- \$179,000 for projects carried forward from the prior year (the main project carried forward was the acquisition of four police vehicles (\$133,000).
- \$3,324,000 in year-end adjustments, the largest portion attributable to the debris removal for ice storm aftermath (\$2,250,000), fuel purchases for resale (\$600,000), transfer to medical services (\$135,000), and a transfer to waste collections (\$126,500).

Differences between the final amended budget and actual amounts can be briefly summarized as follows:

- Ad Valorem tax revenues were greater than final amended budgeted amounts due to a conservative estimate of a 95% collection rate rather than the actual 98.18% rate.
- Vehicle property tax collection experienced a significant increase due to the change in the collection method. Instead of being collected by the county, vehicle property taxes are now collected by the NC State Division of Motor Vehicles. Individuals cannot get a tag for their vehicle without first paying the owed property taxes.
- Sales taxes were up \$811,575 primarily due to the steady increase in consumer confidence.
- State shared, hold harmless, and privilege licenses were up by \$248,401, due to the improvement in the local economy.
- Unrestricted intergovernmental fees were down by \$132,131 (2.9%), partly due to reduced fuel purchases by Alamance County for its vehicles.
- Permits and fees were \$162,372 (14.3%) over final amended budget primarily due to the increase in both residential and commercial construction being greater than anticipated.
- Investment interest actual earnings were \$31,012 (32.2%) below final amended budgeted revenues due to the continued low interest rate environment.
- General government actual expenditures were \$2,761,244 (5.3%) under final amended budgeted expenditures due to budgeted expenses that were not incurred. Personnel costs were \$655,754 lower than expected due to vacant positions not being filled. In preparing

for the new fire station that is currently being designed, \$500,000 had been budgeted for the expansion of fire services that was not used. Department heads were once again encouraged to reduce actual expenditures. As a result, the following are the major items that were under budget: utilities (\$166,559), professional services (\$142,511), maintenance/repair contracts (\$137,360) and, departmental supplies (\$55,973).

- Public Works actual expenditures were \$958,537(8.6%) under final amended budgeted expenditures primarily due to the maintenance of city streets was in process by an outside contractor but a bill had not been received before year end. This was one of the major items carried forward in the 2014-2015 fiscal year. Contracted debris removal was also under budget by \$214,523. Fees paid for the landfill tipping fees decreased by \$50,417, and this is an indication of the success of the recycling program. Also, capital costs were \$641,736 lower than expected largely in part to the Public Works department.

Proprietary funds. The City of Burlington's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water Resources Fund and Storm Water Fund combined at the end of the fiscal year amounted to \$37,010,531. The total growth in net position was \$7,645,725. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Burlington's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Burlington's investment in capital assets for its governmental and business-type activities as of June 30, 2014, totals \$209,941,971(net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles, among other types of assets. This investment represents an increase of \$6,705,960 or 3.3% over the prior year.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

Governmental activities:

Governmental Capital Assets net increased \$125,544.

- Streets and sidewalks increased \$32,632. This represents routine maintenance and repaving of streets, sidewalks, and culverts.
- Construction in progress had a net increase \$483,560. This consisted of finishing street resurfacing/patching and the rebuilding of a new sanitation truck shed.
- Buildings had a net increase of \$488,601. This represents new and remodeling of various building projects. Examples include: garage roof and materials lift \$173,500, stadium scoreboard \$57,000, gym roof \$46,000, theater lighting up-grade \$63,500, police training facility \$47,250, and above ground gasoline storage \$78,800.
- Equipment had a net increase \$351,004. The increases are due to expenditures for an E911 backup circuit \$73,000, survey equipment \$20,000, various computer hardware and software including routine replacement of old outdated equipment for approximately \$274,000, public safety police and fire equipment \$128,646, public works purchased a vacuum leaf loader \$54,600, and various recreation equipment for \$45,356. Decreases that off-set these increases were write-offs of obsolete items and disposals.
- Vehicles net increase \$914,053. The increase in vehicles is due to the purchase of 16 police vehicles as part of the normal

replacement rotation for approximately \$544,992, 2 rear loader refuse trucks and 1 used refuse truck for \$361,882 due to a fire at the sanitation truck shed, and a fire truck for \$576,470. The decreases in vehicles represent the typical activity of disposals of used and worn out vehicles.

Business-type activities:

Business-type Capital Assets net increased \$6,580,416.

- The \$8,598,411 increase of water and sewer lines can be attributed to a major filter system replacement project at one of our waste water treatment facilities for approximately \$7,107,797. Other smaller projects include \$590,888 for new sewer lines for a new distribution center, \$69,625 for a sewer line for a new fire station being constructed in the western part of the city, and \$102,300 for a 42" outfall line repair. Lines donated to the City from developers of housing/commercial projects for the 2013-2014 fiscal year were valued at \$295,130. The remaining \$432,671 of the increase is from normal and various water and sewer line replacement projects.
- The net increase in buildings is approximately \$1,772,813. This consists of the Lakes Dam Rehabilitation in the amount of \$1,289,100 and various plant pump rebuilds in the amount of \$302,062.
- General equipment had a net increase \$291,917. This increase consist of a new backhoe and backhoe jack hammer for \$103,362, ICPMS Low level metals testing system \$138,843 and other miscellaneous pieces of equipment. Decreases included normal disposal of obsolete equipment.
- Vehicles had a net increase of \$508,181. This increase consist of a jet sewer truck for \$197,686, 2 F-750 trucks at \$156,402 and 3 F-250 trucks for \$82,439 The decreases in vehicles represent the typical activity of disposals from year to year.
- Construction in progress had a net increase \$248,005 due to continuation of water and sewer line projects and replacements. However, there was a \$6.4 million decrease in construction in progress due to the completion of the filter system mentioned above.
- No major demolitions were recorded this year.

Figure 6

**City of Burlington Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 8,628,374	\$ 8,442,341	\$ 6,945,444	\$ 6,945,444	\$ 15,573,818	\$ 15,387,785
Buildings and system	24,843,751	25,353,558	53,076,172	53,923,668	77,919,923	79,277,226
Improvements other than buildings			70,087,495	63,553,213	70,087,495	63,553,213
Machinery and equipment	3,485,085	3,599,864	1,406,309	1,275,627	4,891,394	4,875,491
Infrastructure	17,994,577	18,750,848	27,677	-	18,022,254	18,750,848
Vehicles and motorized equipment	5,441,971	4,605,163	1,104,691	617,425	6,546,662	5,222,588
Construction in progress	687,482	203,922	16,212,943	15,964,938	16,900,425	16,168,860
Total	\$ 61,081,240	\$ 60,955,696	\$ 148,860,731	\$ 142,280,315	\$ 209,941,971	\$ 203,236,011

Additional information on the City's capital assets can be found in note III.4 of the Basic Financial Statements on pages 23-24.

Long-term debt. As of June 30, 2014, the City of Burlington had total bonded debt outstanding of \$52,000,185. Of this amount, all is backed by the full faith and credit of the City.

Figure 7
City of Burlington's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 8,994,345	\$ 10,189,321	\$ 5,184,752	\$ 6,384,745	\$ 14,179,097	\$ 16,574,066
Installment purchases	2,323,955	2,382,461			2,323,955	2,382,461
Revenue bonds**	-	-	37,821,088	39,433,399	37,821,088	39,433,399
Total	\$ 11,318,300	\$ 12,571,782	\$ 43,005,840	\$ 45,818,144	\$ 54,324,140	\$ 58,389,926

**Please note that the 2010 Revenue Bonds issued included the refunding of the 2004 COPS in the amount of \$10,700,000.

The City of Burlington's total debt decreased by \$3,621,766 (5.6%) during the past fiscal year. The City issued \$1,619,502 in installment financings, bearing an interest rate of 0.86%, to acquire certain vehicles and other equipment for general government uses, to be paid back over a 3 year period. The decrease in debt for the governmental activities represents the normal shrinkage in debt due to payments made throughout the year.

As mentioned in the financial highlights of this document, the City of Burlington has maintained its bond ratings of AA for Standard & Poor's Corporation, and an Aa2, by Moody's Investor Services. The City recently completed a review by Standard & Poor's in August 2014.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Burlington is \$358,415,803. The City has no bonds authorized but un-issued at June 30, 2014.

Additional information regarding the City of Burlington's long-term debt can be found in note III.6, beginning on page 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following key economic indicators may explain the environment in which the City conducts its day to day business.

- Improvements in the unemployment rate. From last year's average at 8.8%, the average rate has fallen to 6.8% for Alamance County, in which the City of Burlington is located. This rate is right in line with the US average, whose is also at 6.8%. The state average is slightly higher at 7.0%.
- Interest rates on certificates of deposit, commercial paper, etc. averaged 0.31%, a 23% decrease over last fiscal year. The economy is continuing its slow growth pattern.

- Residential construction permits increased slightly from the prior year, from 319 permits issued in the prior year to 390 issued for the fiscal year ending 6/30/14. However commercial construction permits decreased from 313 in the prior year to 123. This reflects the economy's slowness to bounce back after the recession.
- The City's largest taxpayer, Laboratory Corporation of America (LabCorp) continues to grow despite the economy. The company posted sales of \$1.52 billion between April 1 and June 30 - up 3.3 percent over the same time last year.
- Company Shops, a cooperative grocery/health foods store working with local farmers in the area is continuing to thrive in downtown Burlington. We are certain they will continue to have a positive impact even though Labcorp has announced that they will be moving 900 employees out of the downtown area to other locations in Burlington and Guilford County.
- Several buildings in the downtown area are being redeveloped into office suites and retail business spaces by Core Properties & Development.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Governmental activities. General Fund revenues are budgeted for a \$1.36 million increase over the prior year's budget. Property taxes are projected at a net \$870,000 increase (64.2% of total revenue increase). The increase in property taxes stems from growth in property values and discoveries as well as the decrease in the discount for paying taxes early was reduced from 2% to 0.5% in the current year's budget. Sales tax has been projected to increase by another \$582,042 or (42.9% of total revenue increase). The amount of sales tax budgeted, even though increased, is still 2.3% below actual sales tax received in the prior year. Economists are projecting that the interest rate will remain low, with little change until the last half of 2015, thus interest earnings are projected to be basically the same. There were no new programs instituted in the 2014 budget. The City continues to participate in performance measurement analysis. Specifically looking at indirect costs, performance measures validate that the dollar amount the General Fund is reimbursed from the Water Resources Fund for administrative charges is reasonable.

Budgeted expenditures, like the revenues, have an increase of \$1.36 million when comparing the General Fund expenditures to the prior year. The largest portion of the increase (\$1,116,719) is due to personnel costs and is for three reasons. First, the City Council commissioned a job classification study that was completed during the 2013-2014 fiscal year and implemented for the 2014-2015 fiscal year. The result of the study was an average pay increase of a 1.7%. Second, Council chose to keep the police merit based pay plan for continuity in the police department. Third, 8 new positions were approved, 6 of which were police officers that had previously been funded by a Department of Justice Grant. Other increases in the budget are as follows: \$143,706 increase in maintenance and repair/contracted services, \$200,000 increase in the budget for the expansion of fire services, \$80,765 increase in police's training budget, \$54,700 increase in insurance/bonds, \$47,832 increase in debt payments, \$43,579 increase in capital equipment purchases, and \$25,000 increase in telephone expense. Offsetting these increases is an increase in the reimbursement of administrative costs from the Water Resources Fund, which has the effect of decreasing expenses in the General Fund in the amount of \$397,101.

Business-type activities. Total revenue is projected to increase by 4.6% over the previous fiscal year. The majority of the increase is due to a 4% increase in both water and sewer rates for Fiscal year ending June 30, 2015 over the prior fiscal year ending June 30, 2014. Both water and sewer rates

are double the inside rate for customers outside the corporate limits of the City. In addition, the "municipal service rate" remains the same such that the rate is now 110% of the inside sewer rate, thereby assuring that inside City customers would be paying the lesser rate for their sewer service.

Operating expenses are also budgeted to increase by 4.6% over the previous fiscal year. The primary increase is due to an expansion in capital expenditures by \$1,422,267 which is over and above the increase in the prior year which was due to the Little Alamance Creek Sewer Outfall line needing to be replaced. In the next year's budget, there are the costs to replace the first third of the Haw River Interceptor (Phase 1) which incurred a leak in the spring of 2014. Other increases are personnel costs due to the same job classification study mentioned above that increase personnel costs by \$118,063, an increase in the administration costs being reimbursed to the General Fund in the amount of \$397,101, an increase of \$100,000 for which the City of Burlington pays another municipality to treat sewage for an area closer to their service area, and an increase in professional services of \$229,000. Offsetting these increases are decreases primarily due to the following: a decrease in transfers to the water capital reserve fund by \$364,633, a decrease in transfers to the sewer capital reserve fund by \$364,633, a decrease in utilities of \$270,000, a decrease in debt payments of \$95,213, and a decrease in chemicals of \$67,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burlington's finances for all those with an interest in the City's finances and it's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Burlington Finance & Risk Management Department, P. O. Box 1358, Burlington, North Carolina 27216-1358.





**BASIC
FINANCIAL STATEMENTS**

Exhibit 1

City of Burlington, North Carolina
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burlington Downtown Corporation
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 58,257,260	\$ 56,993,871	\$ 115,251,131	\$ 258,916
Taxes receivables (net)	1,034,377	-	1,034,377	-
Accrued interest receivable on taxes	508,103	-	508,103	-
Accounts receivable (net)	17,508,029	3,182,933	20,690,962	7
Internal balances	582,188	(582,188)	-	-
Inventories	-	870,759	870,759	-
Bond premium and fees	8,761	732,488	741,249	-
Prepaid items	-	3,600	3,600	-
Prepaid pension obligations	652,187	-	652,187	-
Restricted assets:				
Cash and cash equivalents	-	1,901,609	1,901,609	-
Total current assets	78,550,905	63,103,072	141,653,977	258,923
Noncurrent assets:				
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	9,315,856	23,158,387	32,474,243	-
Other capital assets, net of depreciation	51,765,384	125,702,344	177,467,728	-
Total capital assets	61,081,240	148,860,731	209,941,971	-
Total assets	\$ 139,632,145	\$ 211,963,803	\$ 351,595,948	\$ 258,923
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 2,898,788	\$ 359,053	\$ 3,257,841	\$ 25,038
Unearned revenue	289,718	-	289,718	-
Accrued interest payable	115,262	2,012,985	2,128,247	-
Customer deposit	-	244,874	244,874	-
Payable from restricted assets	-	548,865	548,865	-
Current portion of long-term liabilities	3,259,800	2,904,859	6,164,659	-
Total current liabilities	6,563,568	6,070,636	12,634,204	25,038
Noncurrent liabilities:				
Other postemployment benefits	3,094,649	546,115	3,640,764	-
Due in more than one year	10,432,023	40,524,200	50,956,223	-
Total noncurrent liabilities	13,526,672	41,070,315	54,596,987	-
Total liabilities	20,090,240	47,140,951	67,231,191	25,038
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	237,854	-	237,854	-
Total deferred inflows of resources	237,854	-	237,854	-
NET POSITION				
Net Investment in capital assets	49,762,940	107,207,635	156,970,575	-
Restricted for:				
Capital projects	1,280,743	21,186,874	22,467,617	-
Public works	-	-	-	-
Public safety	590,729	-	590,729	-
Economic development	10,809,189	-	10,809,189	-
Stabilization by State Statute	6,954,980	-	6,954,980	-
Unrestricted	49,905,470	36,428,343	86,333,813	233,885
Total net position	\$ 119,304,051	\$ 164,822,852	\$ 284,126,903	\$ 233,885

The notes to the financial statements are an integral part of this statement.

Exhibit 2

City of Burlington, North Carolina
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 9,149,871	\$ 2,979,252	\$ 1,201,732	\$ -
Public safety	22,743,048	412,298	695,546	-
Public works	11,131,728	1,293,660	1,934,187	-
Economic and physical development	1,474,928	-	1,723,570	-
Cultural and recreation	6,957,606	2,853,767	-	-
Interest on long-term debt	363,756	-	-	-
Total governmental activities (See Note 1)	51,820,937	7,538,977	5,555,035	-
Business-type activities:				
Storm water	377,647	572,676	-	-
Water and sewer	22,143,804	20,876,779	-	2,435,648
Total business-type activities	22,521,451	21,449,455	-	2,435,648
Total primary government	\$ 74,342,388	\$ 28,988,432	\$ 5,555,035	\$ 2,435,648
Component unit:				
Burlington Downtown Corporation	\$ 265,479	\$ 153,740	\$ 105,597	
Total component units	\$ 265,479	\$ 153,740	\$ 105,597	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local options sales tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues, special items, and transfers				
Change in net position				
Net position-beginning				
Net position-ending				

The notes to the financial statements are an integral part of this statements.

The notes to the financial statements are an integral part of this statement.



	MAJOR FUND		Total Non-Major Funds	Total Governmental Funds
	General	HOME Program Project Fund		
ASSETS				
Cash and cash equivalents	\$ 29,551,866	\$ -	\$ 2,824,041	\$ 32,375,907
Restricted cash	16,919,663	-	-	16,919,663
Receivables, net:				
Taxes	971,834	-	62,543	1,034,377
Accounts	7,837,003	-	242,494	8,079,497
Housing rehabilitation loans	-	-	2,302,012	2,302,012
Home incentive loans	-	6,979,825	78,909	7,058,734
Total assets	\$ 55,280,366	\$ 6,979,825	\$ 5,509,999	\$ 67,770,190
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,064,680	\$ 120,073	\$ 81,895	\$ 2,266,648
Unearned revenue	1,304,841	3,137,604	62,543	4,504,988
Total liabilities	3,369,521	3,257,677	144,438	6,771,636
Deferred Inflows of Resources				
Prepaid taxes	237,854	-	-	237,854
Total dererred inflows of resources	237,854	-	-	237,854
Fund balances:				
Restricted:				
Stabilization by State Statute	6,954,980	-	-	6,954,980
Historic Books	1,418	-	-	1,418
Animal Shelter	562	-	-	562
Economic Development	-	3,525,966	3,355,969	6,881,935
Public Safety	-	-	497,277	497,277
Committed:				
Capital Improvements	-	-	1,280,743	1,280,743
Capital Reserve Fund	16,925,388	-	-	16,925,388
Assigned				
Subsequent Years Expenditures	1,636,986	196,182	272,677	2,105,845
General Government	4,316,000	-	-	4,316,000
Parks and Recreation	1,381,370	-	-	1,381,370
Public Safety	5,450,000	-	-	5,450,000
Economic Development	3,000,000	-	-	3,000,000
Public Works	3,125,000	-	-	3,125,000
Unassigned	8,881,287	-	(41,105)	8,840,182
Total fund balances	51,672,991	3,722,148	5,365,561	60,760,700
Total liabilities and fund balances	\$ 55,280,366	\$ 6,979,825	\$ 5,509,999	

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Gross capital assets at historical costs - \$109,465,672 accumulated depreciation - (\$48,384,432.) 61,081,240

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds. 508,103

The pension assets resulting from contributions in excess of annual required contributions are not financial resources and therefore are not reported in the funds 652,187

Other long-term debt (post employment benefits) are not due and therefore are not reported in the funds. (3,094,649)

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 582,188

Liabilities for earned revenues considered deferred inflows of resources in fund statements 4,375,757

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets. 8,236,845

Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds. General obligation bonds-\$8,994,345 installment purchases-\$2,323,955, compensated absences-\$2,373,519,accrued interest-\$115,262 and bond issuance cost \$(8,761). (13,798,320)

Net position of governmental activities \$ 119,304,051

Exhibit 4

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2014

	Major Fund		Total Non-Major Funds	Total Governmental Funds
	General Fund	HOME Program Project Fund		
REVENUES				
Ad valorem taxes	\$ 26,997,179	\$ -	\$ 152,627	\$ 27,149,806
Other taxes and licenses	10,970,124	-	-	10,970,124
Unrestricted intergovernmental	4,420,661	-	139,407	4,560,068
Restricted intergovernmental	3,773,172	156,279	1,364,090	5,293,541
Permits and fees	1,128,772	-	-	1,128,772
Sales and services	3,816,193	-	42,281	3,858,474
Investment earnings	125,347	-	201	125,548
Miscellaneous	670,620	76,073	26,781	773,474
Total revenues	51,902,068	232,352	1,725,387	53,859,807
EXPENDITURES				
Current:				
General government	8,490,457	-	-	8,490,457
Public safety	20,205,369	-	664,432	20,869,801
Public works	9,756,316	-	-	9,756,316
Economic and physical development	-	488,848	986,078	1,474,926
Culture and recreation	5,943,889	-	153,576	6,097,465
Debt service:				
Principal	2,857,008	-	-	2,857,008
Interest and other charges	358,419	-	-	358,419
Capital outlay	3,608,419	-	30,111	3,638,530
Total expenditures	51,219,877	488,848	1,834,197	53,542,922
Excess (deficiency) of revenues over expenditures	682,191	(256,496)	(108,810)	316,885
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,540,540	18,701	421,530	1,980,771
Transfers to other funds	(2,274,926)	-	(18,701)	(2,293,627)
Issuance of installment purchase	1,619,502	-	-	1,619,502
Total other financing sources (uses)	885,116	18,701	402,829	1,306,646
Net change in fund balance	1,567,307	(237,795)	294,019	1,623,531
Fund balances-beginning	50,105,684	3,959,943	5,071,542	59,137,169
Fund balances-ending	\$ 51,672,991	\$ 3,722,148	\$ 5,365,561	\$ 60,760,700

The notes to the financial statements are an integral part of this statement.

(continued)

Exhibit 4
(continued)

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 1,623,531
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay- \$3,638,530 exceeded depreciation-(\$3,325,931). Loss on disposal of fixed assets-(\$18,488).	294,111
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred revenue for economic development loans receivable	870,586
Change in accrued interest receivable	98,297
Change in pension asset	36,159
Change in deferred revenue for tax revenues	(412,898)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Issuance of debt- (\$1,619,502), principal expenditures- \$2,857,015 change in accrued interest payable- (\$8,071) and net change amortization \$15,969	1,245,411
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(59,368)
Other post employment benefits	(302,874)
Net revenue of internal service funds determined to be governmental-type.	<u>(823,836)</u>
Total changes in net position of governmental activities	<u>\$ 2,569,119</u>

The notes to the financial statements are an integral part of this statement.

Exhibit 5

**City of Burlington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2014**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 24,787,220	\$ 24,759,220	\$ 26,997,179	\$ 2,237,959
Other taxes and licenses	10,239,000	10,052,000	10,970,124	918,124
Unrestricted intergovernmental	4,051,130	4,288,530	4,420,661	132,131
Restricted intergovernmental	2,545,600	4,663,633	3,773,172	(890,461)
Permits and fees	538,427	966,400	1,128,772	162,372
Sales and services	3,702,379	4,081,489	3,816,193	(265,296)
Investment earnings	127,251	127,251	96,239	(31,012)
Miscellaneous	171,000	173,769	670,620	496,851
	<u>46,162,007</u>	<u>49,112,292</u>	<u>51,872,960</u>	<u>2,760,668</u>
Expenditures:				
Current:				
General government	9,044,404	10,449,855	8,826,066	1,623,789
Public safety	20,168,788	21,993,984	21,901,620	92,364
Public works	8,201,398	12,006,153	11,047,616	958,537
Cultural and recreation	5,848,500	6,315,152	6,229,148	86,004
Principal retirement	2,857,556	2,857,556	2,857,008	548
Interest and other charges	353,421	358,421	358,419	2
	<u>46,474,067</u>	<u>53,981,121</u>	<u>51,219,877</u>	<u>2,761,244</u>
Revenues over (under) expenditures	<u>(312,060)</u>	<u>(4,868,829)</u>	<u>653,083</u>	<u>5,521,912</u>
Other financing sources (uses):				
Transfers from other funds	-	620,000	620,000	-
Transfers to other funds	(1,324,926)	(1,629,926)	(1,629,926)	-
Installment Financing	-	1,619,502	1,619,502	-
	<u>(1,324,926)</u>	<u>609,576</u>	<u>609,576</u>	<u>-</u>
Revenues and other financing sources over (under) Expenditures and other financing uses	<u>(1,636,986)</u>	<u>(4,259,253)</u>	<u>1,262,659</u>	<u>\$ 5,521,912</u>
Fund balances appropriated	<u>1,636,986</u>	<u>4,259,253</u>		
Fund balances, beginning of year	-	-	33,484,931	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,747,590</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			\$ 29,121	
Transfer from General Fund			920,540	
Transfer to other Funds			(645,000)	
Fund balance beginning			<u>16,620,740</u>	
Fund Balance Ending (Exhibit 4)			<u>\$ 51,672,991</u>	

The notes to the financial statements are an integral part of this statement.

**City of Burlington
Statement of Net Position
Proprietary Funds
June 30, 2014**

	Enterprise Funds			Governmental Activities-
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Funds
ASSETS				
Cash and cash equivalents	\$ 55,699,514	\$ 1,294,357	\$ 56,993,871	\$ 8,961,690
Accounts receivable (net) - billed	1,591,391	41,688	1,633,079	5,788
Accounts receivable (net) - unbilled	1,511,341	38,513	1,549,854	-
Due from other funds	-	-	-	133
Prepaid assets	3,600	-	3,600	-
Inventories	870,759	-	870,759	-
Bond issuance costs	732,488	-	732,488	-
Restricted assets:				
Cash and cash equivalents	1,901,609	-	1,901,609	-
Total current assets	62,310,702	1,374,558	63,685,260	8,967,611
Noncurrent assets:				
Capital assets:				
Land and other non-depreciable assets	23,158,387	-	23,158,387	-
Other capital assets, net of depreciation	125,474,577	227,767	125,702,344	-
Capital assets (net)	148,632,964	227,767	148,860,731	-
Total noncurrent assets	148,632,964	227,767	148,860,731	-
Total assets	\$ 210,943,666	\$ 1,602,325	\$ 212,545,991	\$ 8,967,611
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 2,372,038	\$ -	\$ 2,372,038	\$ 730,766
Due to other funds	-	-	-	-
Compensated absences - current	145,255	2,872	148,127	-
Other postemployment benefits	-	-	-	-
General obligation bonds payable-current	1,196,732	-	1,196,732	-
Revenue bonds payable	1,560,000	-	1,560,000	-
Liabilities payable from restricted assets:				
Accounts payable	548,865	-	548,865	-
Customer deposits	244,874	-	244,874	-
Total current liabilities	6,067,764	2,872	6,070,636	730,766
Noncurrent liabilities:				
Other noncurrent liabilities:				
Other postemployment benefits	546,115	-	546,115	-
Compensated absences	269,759	5,333	275,092	-
General obligation bonds payable-noncurrent (net)	3,988,020	-	3,988,020	-
Revenue bonds payable	36,261,088	-	36,261,088	-
Total noncurrent liabilities	41,064,982	5,333	41,070,315	-
Total liabilities	47,132,746	8,205	47,140,951	730,766
NET POSITION				
Net investment in capital assets	106,979,868	227,767	107,207,635	
Restricted for Capital projects	21,186,874	-	21,186,874	
Unrestricted	35,644,178	1,366,353	37,010,531	8,236,845
Total net position	\$ 163,810,920	\$ 1,594,120	165,405,040	\$ 8,236,845
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(582,188)	
Net position of business-type activities			\$ 164,822,852	

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds			Governmental Activities-
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 20,856,854	\$ 572,676	\$ 21,429,530	\$ 4,981,685
Water and sewer taps	208,495	-	208,495	-
Total operating revenues	21,065,349	572,676	21,638,025	4,981,685
OPERATING EXPENSES				
Building and administrative	2,606,264	-	2,606,264	-
Customer services	1,385,182	335,691	1,720,873	-
Supervision - lines	343,384	-	343,384	-
Line maintenance and repairs	976,893	-	976,893	-
Line services and construction	692,827	-	692,827	-
Supervision - treatment	597,478	-	597,478	-
Water source of supply	146,983	-	146,983	-
Water plant operations	2,643,850	-	2,643,850	-
Sewage treatment plant operations	3,902,319	-	3,902,319	-
Laboratories	741,851	-	741,851	-
Plants maintenance	598,807	-	598,807	-
Lakes and marinas	362,336	-	362,336	-
Depreciation	4,983,755	30,125	5,013,880	-
Claims paid, excess loss coverage and claims administration	-	-	-	6,515,869
Total operating expenses	19,981,929	365,816	20,347,745	6,515,869
Operating income (loss)	1,083,420	206,860	1,290,280	(1,534,184)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	219,365	752	220,117	29,316
Interest and other charges	(1,959,820)	-	(1,959,820)	-
Other revenues	6,061,956	-	6,061,956	-
Miscellaneous nonoperating expense	-	(11,831)	(11,831)	-
Total nonoperating revenue (expenses)	4,321,501	(11,079)	4,310,422	29,316
Income (loss) before contributions and transfers	5,404,921	195,781	5,600,702	(1,504,868)
Capital contributions	2,435,648	-	2,435,648	-
Transfers to other funds	(188,570)	-	(188,570)	-
Transfers from other funds	-	-	-	501,426
Change in net position	7,651,999	195,781	7,847,780	(1,003,442)
Total net position - beginning	156,158,921	1,398,339		9,240,287
Total net position - ending	\$ 163,810,920	\$ 1,594,120		\$ 8,236,845
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(202,055)	
Change in net position - business-type activities			\$ 7,645,725	

The notes to the financial statements are an integral part of this statement.



**City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014**

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 21,281,865	\$ 541,693	\$ 21,823,558	\$ 4,990,940
Cash paid for goods and services	(8,873,257)	(236,322)	(9,109,579)	(6,052,099)
Cash paid to or on behalf of employees for services	(5,993,770)	(104,979)	(6,098,749)	(412,746)
Net change in customer deposits	(9,281)	-	(9,281)	-
Net cash provided by operating activities	6,405,557	200,392	6,605,949	(1,473,905)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) decrease in interfund payables	-	-	-	(25)
Transfers from other funds	-	-	-	501,426
Transfers to other funds	(188,570)	-	(188,570)	-
Total cash flows used by noncapital financing activities	(188,570)	-	(188,570)	501,401
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(3,161,126)	(52,970)	(3,214,096)	-
Proceeds of revenue bonds	-	-	-	-
Principal paid on bond maturities	(2,725,000)	-	(2,725,000)	-
Interest and fees paid on debt maturities	(2,140,357)	-	(2,140,357)	-
Other capital revenues	496,802	-	496,802	-
Net cash used by capital and related financing activities	(7,529,681)	(52,970)	(7,582,651)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	219,365	752	220,117	29,316
Net increase in cash and cash equivalents	(1,093,329)	148,174	(945,155)	(943,188)
Balances-beginning of the year	58,694,452	1,146,183	59,840,635	9,904,878
Balances-end of the year	<u>\$ 57,601,123</u>	<u>\$ 1,294,357</u>	<u>\$ 58,895,480</u>	<u>\$ 8,961,690</u>
Reconciliation of Cash and Cash Equivalents:				
Cash and Cash Equivalents - Current	\$ 55,699,514	\$ 1,294,357	\$ 56,993,871	\$ 8,961,690
Cash and Cash Equivalents - Restricted	1,901,609	-	1,901,609	-
Total Cash and Cash Equivalents - June 30, 2014	<u>\$ 57,601,123</u>	<u>\$ 1,294,357</u>	<u>\$ 58,895,480</u>	<u>\$ 8,961,690</u>

(continued)

The notes to the financial statements are an integral part of this statement.

**Exhibit 8
(continued)**

**City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014**

	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ 1,083,420	\$ 206,860	\$ 1,290,280	\$ (1,534,185)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	4,983,755	30,125	5,013,880	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	216,516	(30,983)	185,533	9,256
Increase in inventory	(137,987)	-	(137,987)	-
Decrease in prepaid asset	530	-	530	-
Increase in accounts payable and accrued liabilities	181,216	-	181,216	51,024
Increase (decrease) in accrued vacation pay	(4,252)	(5,610)	(9,862)	-
Increase in accrued OPEB liability	91,640	-	91,640	-
Decrease in customer deposits	(9,281)	-	(9,281)	-
Total adjustments	5,322,137	(6,468)	5,315,669	60,280
Net cash provided by operating activities	<u>\$ 6,405,557</u>	<u>\$ 200,392</u>	<u>\$ 6,605,949</u>	<u>\$ (1,473,905)</u>
Noncash investing, capital, and financing activities:				
Donated water and sewer lines	<u>\$ 295,130</u>	<u>\$ -</u>	<u>\$ 295,130</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2014

I. Summary of Significant Accounting Policies:

The accounting policies of the City of Burlington and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Burlington is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

Burlington Downtown Corporation

The Burlington Downtown Corporation exists to promote economic and physical development in the downtown area. The Corporation is financed primarily by proceeds of property taxes levied on the Downtown Special Tax District by the City Council of the City of Burlington. The Corporation has a separate board that governs its operations. The City approves the annual budget of the Burlington Downtown Corporation. The Corporation, which has a June 30 year-end, is presented as if it were a governmental fund. Complete financial statements for this component unit may be obtained from the Burlington Downtown Corporation, P.O. Box 761, Burlington, NC 27216.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

I. Summary of Significant Accounting Policies: (continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, public works, recreation, and general government services.

Capital Reserve Capital Project Fund. This fund is used to account for funds reserved for future capital projects.

HOME Program Project Fund. This fund is used to account for specific revenue sources that are legally restricted to expenditures for the HOME Program.

The City reports the following non-major governmental funds:

Special Revenue Funds. The Special Revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City has fourteen Special Revenue Funds: the Community Development Fund, the Rehabilitation Loan Program Fund, the Rental Rehabilitation Loan Program Fund, the Downtown Special Tax District Fund, the RICO Fund, the Edward Byrne Justice Assistance Grant Fund, the Guilford Mackintosh Fund, the Controlled Substance Tax Fund, the MPO Planning Transportation Fund, the Medicare Part D Grant Project Fund, and the Bureau of Justice Assistance Community Oriented Policing Grant Fund.

Capital Projects. The Capital Project Fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed in the enterprise fund) and infrastructure. The city has 4 projects at this time.

The City reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for operations and maintenance of the water and sewer system, which includes operation of 2 waste water treatment facilities and 2 water treatment plants. This fund also covers acquisition and/or construction of major utility capital facilities and infrastructure projects, sewer projects and utility capital reserve.

I. Summary of Significant Accounting Policies: (continued)

The City reports the following non-major enterprise fund:

Storm Water Fund. This fund is used to account for the federally mandated program of storm water system management, which is supported by a city-wide storm water fee.

The City reports the following fund type:

Internal Service Fund. The Internal Service Funds account for the general insurance program of the City. The City of Burlington has three Internal Service Funds: the Dental Self-Insurance Fund, the Workers Compensation Self-Insurance Fund, and the Group Health Benefits Self-Insurance Fund.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

I. Summary of Significant Accounting Policies: (continued)

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Certain items in the 2014 report have been reclassified to conform to current year classifications. Such reclassifications had no effect on previously reported increase/decrease in net assets.

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. An annual budget is also adopted for the following Special Revenue and Capital Project Funds: Rehabilitation Loan Program Fund, Rental Rehabilitation Loan Program Fund, Downtown Special Tax District Fund, Rico Fund, Guilford Mackintosh Fund, Controlled Substance Tax Fund, MPO Planning Transportation Fund, Capital Reserve Fund, and Drainage Improvement Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for all other Special Revenue and Capital Projects Funds. The City's Dental Self Insurance Fund, Workers Compensation Self Insurance Fund and Group Health Benefits Self Insurance Fund, intragovernmental service funds, operate under financial plans that were adopted by the governing board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the Council. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

I. Summary of Significant Accounting Policies: (continued)

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the City and the Burlington Downtown Corporation are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City and the Burlington Downtown Corporation may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the Burlington Downtown Corporation may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City and the Burlington Downtown Corporation to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The City's and the Burlington Downtown Corporation's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT – Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

In accordance with State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Burlington Downtown Corporation considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

The Unexpended bond proceeds of Water and Sewer Fund serial bonds issued by the City are classified as restricted assets for the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

City of Burlington Restricted Cash

Business-type Activities

Water and Sewer Fund

Customer deposits	\$ 548,865
Unexpended bond proceeds	<u>1,352,744</u>

Total Business-type Activities	<u>\$ 1,901,609</u>
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Total Restricted Cash	<u>\$ 1,901,609</u>
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I. Summary of Significant Accounting Policies: (continued)

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010. As allowed by State law, the City has established a schedule of discounts that apply to taxes paid prior to the due date. In the City's General Fund and Downtown Special Tax District Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventory and Prepaid Items

The inventories of the City are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when used rather than when purchased.

The inventories of the City's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements and expensed as the items are used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; vehicles and motorized equipment, \$10,000; and computer equipment, \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Buildings	40
Improvements	40
Vehicles	7
Furniture and equipment	10
Computer equipment	5

I. Summary of Significant Accounting Policies: (continued)

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be reported as an expense or expenditures until then. The City has in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has only two items that meet the criterion for this category – prepaid taxes and property taxes receivables.

9. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs are expensed in the reporting period in which they are incurred. Prepaid insurance cost are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policies of the City and the Burlington Downtown Corporation provide for the accumulation of up to forty-eight (48) days earned but unused annual leave, which would be paid to employees upon separation from the City. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded as the leave is earned. The City has assumed a first in, first out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

Both the City and the Burlington Downtown Corporation's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the City nor the Burlington Downtown Corporation has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

I. Summary of Significant Accounting Policies: (continued)

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net positions represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for use for economic development purposes.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for use for public safety purposes.

Restricted for Historic Books - portion of fund balance that is restricted by donor's for from the sale of a historical book on the architecture of Burlington and is restricted toward the restoration of the City.

Restricted for Animal Shelter - portion of fund balance that is restricted by donor's for the animal shelter.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Burlington's City Council (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body (City of Burlington's City Council).

Committed for Capital Improvements – portion of fund balance designated by the City of Burlington's City Council for capital improvement projects.

Committed for Capital Reserve Fund - portion of fund balance designated by the City of Burlington's City Council for capital improvement projects.

Assigned fund balance – portion of fund balance that City of Burlington intends to use for specific purposes.

I. Summary of Significant Accounting Policies: (continued)

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds.

Public Works- portion of fund balance that has been budgeted by the board for equipment in public works.

Recreation and Parks-portion of the fund balance that has been budgeted by the board for the carousel, community centers, swim complex, and camp green leaves projects in the recreation department.

Public Safety- portion of the fund balance that has been budgeted by the board for the animal shelter.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City of Burlington has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy; bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

The City of Burlington has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 4 months of expenditures which equals 33% of budgeted expenditures. Any portion of the general fund in excess of 33% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the City in a future budget.

II. Stewardship, Compliance, and Accountability

A. Deficit in Fund Balance or Net Assets of Individual Funds

For the year ended June 30, 2014, the Bureau of Justice Assistance Community Oriented Policing Grant Fund had a deficit of \$41,105 in fund balance. The grant is a multi-year grant and the City's expenditures for the project exceeded the grant money received for the year. The City will closely monitor this fund to assure that money is drawn from the grant to cover all expenditures.

III. Detail Notes on All Funds:

A. Assets

1. Deposits

All the deposits of the City and the Burlington Downtown Corporation are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's and Burlington Downtown Corporation's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City and the Burlington Downtown Corporation, these deposits are considered to be held by the City's and the Burlington Downtown Corporation's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the Burlington Downtown Corporation, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City and the Burlington Downtown Corporation under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Burlington Downtown Corporation's deposits are all insured.

At June 30, 2014, the City's deposits had a carrying amount of \$14,541,037 and a bank balance of \$13,068,505. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the Burlington Downtown Corporation was \$258,916 and the bank balance was \$258,916. All of the bank balance was covered by federal depository insurance. At June 30, 2014, the City's petty cash fund totaled \$5,310.

2. Investments

At June 30, 2014, the City's investments were as follows:

Investment Type	Fair Value	Maturity	Rating
Federal Farm Credit Bank	4,985,998	various	AA+
Federal National Mortgage Assn	6,275,041	various	AA+
Federal Home Loan Bank	13,802,977	various	AA+
US Treasuries	11,961,607	various	AAA
Commercial Paper - GECC	8,593,013	various	A-1+
Commercial Paper - DCAT	3,698,192	various	A-1
Commercial Paper - Barclays	10,082,861	various	A-1
Commercial Paper - Nestle	1,799,505	various	A-1+
Commercial Paper – Toyota	5,665,464	various	A-1+
NC Capital Management Trust – Cash Portfolio	24,873,592	N/A	AAAm
NC Capital Management Trust – Term Portfolio	10,868,143	0.11 years	Unrated
Total:	\$ 102,606,393		

III. Detail Notes on All Funds: (continued)

Interest Rate Risk. The City has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's internal investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

Credit Risk. The City has no formal policy regarding credit risk, but has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the NC Capital Management Trust Cash Portfolio is rated AAAM by Standard and Poor's as of June 30, 2014. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. Investments in commercial paper purchased by the City are rated either A1/P1 by Standard and Poor's or Moody's Investors Service.

Custodial Credit Risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no formal policy on custodial credit risk, but management procedures are that the City shall utilize a third party custodial agent for book entry transactions, all of which shall be held in the City's name.

Concentration of Credit Risk The City's Board places no limit on the amount that the City may invest in any one issuer. More than 5 percent of the City's investments are in Commercial Paper Barclays-10%, Commercial Paper Toyota-6%, and Commercial Paper GE-8%.

3. Receivables – Allowances for Doubtful Accounts

The amount of taxes receivable presented in the Balance Sheet and the Statement of Net Assets includes penalties and interest levied and outstanding in the amount of \$117,762.

The amounts presented in Balance Sheet and the Statement of Net Assets are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>6/30/14</u>
General Fund:	
Taxes receivable	\$ 653,148
Solid Waste receivables	119,737
Special Revenue Funds:	
Rehabilitation Loan Program Fund:	
Rehabilitation Loans	105,135
Home Incentive Loans	4,892
Rental Rehabilitation Loan Program Fund:	
Rehabilitation Loans	25,598
Downtown Special Tax District Fund:	
Taxes Receivable	45,617
Home Program Fund:	
Home Incentive Loans	295,968
Enterprise Fund:	
Water and Sewer Fund:	
Utility Receivables	64,503
Total	<u>\$ 1,314,598</u>

III. Detail Notes on All Funds: (continued)4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	8,442,341	\$ 186,033	\$ -	\$ 8,628,374
Construction in progress	<u>203,922</u>	<u>652,127</u>	<u>168,567</u>	<u>687,482</u>
Total capital assets not being depreciated	<u>8,646,263</u>	<u>838,160</u>	<u>168,567</u>	<u>9,315,856</u>
Capital assets being depreciated:				
Buildings	42,497,256	517,915	29,314	42,985,857
Streets and sidewalks	32,712,963	32,632	-	32,745,595
Equipment	8,781,925	630,346	279,342	9,132,929
Vehicles	<u>14,371,382</u>	<u>1,619,477</u>	<u>705,424</u>	<u>15,285,435</u>
Total capital assets being depreciated	<u>98,363,526</u>	<u>2,800,370</u>	<u>1,014,080</u>	<u>100,149,816</u>
Less accumulated depreciation for:				
Buildings	17,143,698	1,017,985	19,577	18,142,106
Streets and sidewalks	13,962,115	788,903	-	14,751,018
Equipment	5,182,061	736,374	270,591	5,647,844
Vehicles	<u>9,766,219</u>	<u>782,669</u>	<u>705,424</u>	<u>9,843,464</u>
Total accumulated depreciation	<u>46,054,093</u>	<u>3,325,931</u>	<u>995,592</u>	<u>48,384,432</u>
Total capital assets being depreciated, net	<u>52,309,433</u>			<u>51,765,384</u>
Governmental activity capital assets, net				
	<u>60,955,696</u>			<u>61,081,240</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 427,312
Public safety	1,004,095
Public works	1,178,139
Cultural and recreational	<u>716,385</u>
Total depreciation expense	<u>\$ 3,325,931</u>

III. Detail Notes on All Funds: (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Storm Water Fund				
Capital assets being depreciated:				
Building	\$ 68,182	\$ -	\$ -	\$ 68,182
Infrastructure	-	27,677	-	27,677
General equipment	203,550	6,480	15,470	194,560
Vehicle	21,957	22,452	-	44,409
Total capital assets being depreciated	293,689	56,609	15,470	334,828
Less accumulated depreciation for:				
General equipment	63,210	19,947	-	83,157
Building	4,578	3,649	-	8,227
Vehicle	9,148	6,529	-	15,677
Total accumulated depreciation	76,936	\$ 30,125	\$ -	107,061
Total capital assets being depreciated, net	216,753			227,767
Storm water fund capital assets, net	216,753			227,767
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	6,945,444	-	-	6,945,444
Construction in progress	15,964,938	6,658,296	6,410,291	16,212,943
Total capital assets not being depreciated	22,910,382	6,658,296	6,410,291	23,158,387
Capital assets being depreciated:				
Water and sewer lines	101,546,848	8,570,734	-	110,117,582
Buildings, plant, and pumping equipment	117,483,996	1,781,713	8,900	119,256,809
General equipment	3,117,201	323,824	22,917	3,418,108
Vehicles	2,645,695	610,990	125,261	3,131,424
Total capital assets being depreciated	224,793,740	11,287,261	157,078	235,923,923
Less accumulated depreciation for:				
Water and sewer lines	37,993,635	2,040,812	4,360	40,030,087
Buildings, plant, and pumping equipment	63,623,932	2,619,737	3,077	66,240,592
General equipment	1,981,914	173,955	32,667	2,123,202
Vehicles	2,041,079	149,251	134,865	2,055,465
Total accumulated depreciation	105,640,560	\$ 4,983,755	\$ 174,969	110,449,346
Total capital assets being depreciated, net	119,153,180			125,474,577
Water and Sewer fund capital assets, net	142,063,562			148,632,964
Business-type activity capital assets, net				
	\$ 142,280,315			\$ 148,860,731

III. Detail Notes on All Funds: (continued)

5. Construction Commitments

The government has active construction projects as of June 30, 2014. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Whites Kennel Phase II	\$ 468,713	\$ 76,582
NC 87 Waterline	172,822	57,918
2" Replacement	122,782	161,952
Little Alamance Creek Outfall	<u>9,520</u>	<u>20,265</u>
Total	<u>\$ 773,837</u>	<u>\$ 316,717</u>

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Burlington contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.07% and 7.28%, respectively, of annual covered payroll. The contribution requirements of members and of the City of Burlington are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012 were \$1,898,880, \$1,750,850, and \$1,725,219, respectively. The contributions made by the City equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

1. *Plan Description.*

The City of Burlington administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

III. Detail Notes on All Funds: (continued)

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	26
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>132</u>
Total	158

A separate report was not issued for the plan.

2. *Summary of Significant Accounting Policies.*

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. *Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25 – 7.85% per year. Both (a) and (b) included an inflation component at 3%. The assumptions did not include post-employment benefit increases.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 414,488
Interest on net pension obligation	(30,801)
Adjustment to annual required contribution	<u>50,189</u>
Annual pension cost	433,876
Contributions made	<u>470,035</u>
(Decrease) in net pension obligation	(36,159)
Net pension obligation beginning of year	<u>(616,028)</u>
Net pension obligation end of year	<u><u>\$ (652,187)</u></u>

III. Detail Notes on All Funds: (continued)

3-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	387,359	110.07%	(593,615)
6/30/13	398,066	105.63%	(616,028)
6/30/14	433,876	108.33%	(652,187)

4. *Funded Status and Funding Progress.*

As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$4,257,307. The covered payroll (annual payroll of active employees covered by the plan) was \$6,900,739, and the ratio of the UAAL to the covered payroll was 61.69%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2014 were \$515,255, which consisted of \$353,883 from the City and \$161,372 from the law enforcement officers. The City has elected to contribute to the Supplemental Retirement Income Plan for general employees as well as for law enforcement officers. Contributions for the year ended June 30, 2014 for general employees were \$1,383,625, which consisted of \$978,509 from the City and \$405,116 from the general employees.

III. Detail Notes on All Funds: (continued)

d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Burlington, to the Firefighter's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. For the fiscal year ended June 30, 2014, the City has recognized on-behalf of payments for pension contributions made by the State as revenue and an expenditure of \$81,419.

e. Other Post-employment Benefits

1. Healthcare Benefits

In addition to the pension benefits described in Note 1, the City provides post-employment health care benefits to retirees who were hired prior to July 1, 2012 and City Council members of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the City. The City pays the full cost of coverage for employees who retire with 25 years of creditable service; 75% of the cost of coverage for retirees with 20 years of creditable service; 50% of the cost of coverage for retirees with 15 years of creditable service; and 25% of the cost of coverage for retirees with 10 years of creditable service.

The City pays the full cost of coverage for City Council members with 16 years of service; 75% of the cost for City Council members with 12 years of service; 50% of the cost of coverage for City Council members with 8 years of service; and 25% of the cost of coverage for City Council members with 4 years of service. The City's contribution will cease when the retiree reaches age 65. At this point in time, some City retirees are eligible for Medicare supplement reimbursement. The retiree must have been covered under the City's health plan immediately before reaching age 65. The Medicare supplement reimbursement is also based on years of service. The City pays \$159 per month of the Medicare supplement for employees who retire with 25 years of creditable service; 75% of this amount of Medicare supplement for employees who retire with 20 years of creditable service, 50% of this amount of the Medicare supplement for employees who retire with 15 years of creditable service; and 25% of this amount of the Medicare supplement for employees who retire with 10 years of creditable service. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. Currently, 115 retirees are eligible for post-employment health benefits. For the fiscal year ended June 30, 2014, the city made payments for post-employment health benefit premiums of \$ 830,669. The City obtains healthcare coverage through private insurers.

The City also provides dental coverage to retirees of the City. The City will pay 100% of the dental premium for employees who retire with 25 years of service, 75% for employees who retire with 20 years of service, 50% for employees who retire with 15 years of service, and 25% for employees with 10 years of service. When a retired employee reaches age 65, the employee is responsible for 100% of the cost of the premium for dental coverage. The dental coverage ceases at age 70. The plan has no deductible and will pay a maximum of \$1,500 per year for any service provided by a local dentist.

III. Detail Notes on All Funds: (continued)

Retired Employee's Years Of Creditable Service	Date Hired	
	Pre-July 1, 2007	On or after July 1, 2007
Less than 5 years	Not Eligible for Coverage	Not eligible for coverage
5-20 years	Full coverage Paid for by City	Not eligible for coverage
20+ years	Full coverage Paid for by City	Full coverage paid for by City

Membership of the Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	236	-
Active plan members	<u>409</u>	<u>111</u>
Total	<u>645</u>	<u>111</u>

Funding Policy. The City pays a portion of or up to the full cost of coverage for the healthcare benefits paid to qualified retirees under a City resolution that can be amended by the City Council. The City's members pay 100% for dependent coverage. The City has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 9.48% of annual covered payroll. For the current year, the City contributed \$873,295 or 3.71% of annual covered payroll toward actual benefit payments. The City obtains health care and dental coverage through a self-funded program and through a private insurer for life insurance benefits. The City's contributions totaled \$1,726,325 in fiscal year 2014. The City's obligation to contribute to the plan is established and may be amended by the City Council during the budget process.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the Internal Service Fund, which is maintained on the accrual basis of accounting. Internal changes are made to various other City funds for the respective active employees, based upon the pre-determined City Contribution rate. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

III. Detail Notes on All Funds: (continued)

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 2,174,776
Interest on net OPEB obligation	129,850
Adjustment to annual required contribution	<u>183,787</u>
Annual OPEB cost (expense)	2,120,839
Contributions made	<u>1,726,325</u>
Increase (decrease) in net OPEB obligations	394,514
Net OPEB obligation, beginning of year	<u>3,246,250</u>
Net OPEB obligation, end of year	<u>\$ 3,640,764</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 2,028,250	65.10%	\$ 2,453,351
2013	\$ 2,121,069	62.60%	\$ 3,246,250
2014	\$ 2,120,839	81.40%	\$ 3,640,764

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$23,527,448. The covered payroll (annual payroll of active employees covered by the plan) was \$23,539,826, and the ratio of the UAAL to the covered payroll was 99.9% percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

III. Detail Notes on All Funds: (continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 to 5.00 percent annually. The investment rate included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using a market valuation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 28 years.

2. Other Employment Benefit

The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

The Local Government Employees Retirement System provides group-term life insurance to City employees ranging from \$25,000 up to \$50,000 depending on their salary. The City also provides group-term life insurance equal to one and a half times the employee's salary up to a maximum of \$150,000. Any amount of the two coverages combined that exceeds \$50,000 is taxed as an employee fringe benefit and included on the employee's annual W-2.

3. Deferred Outflows and Inflows of Resources

Deferred inflows of resources at year end is comprised of the following:

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned	\$	\$ 237,854
Taxes receivable (net) – general fund	1,554,292	
Taxes receivable (net) – Downtown Special Tax	62,543	
Home loan receivable	2,758,922	
Prepaid licenses and fees	<u> </u>	<u>289,718</u>
Total	<u>\$ 4,375,757</u>	<u>\$ 527,572</u>

III. Detail Notes on All Funds: (continued)

4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City partially self-insures workers compensation coverage, with commercial insurance providing coverage for workers compensation claims in excess of \$200,000 per claim (\$225,000 if a vehicle claim). The commercial insurance provides \$1,000,000 in coverage for claims in excess of the City's assumed aggregate risk of \$1,000,000 annually. The City also retains the risk for Employers' Liability Coverage of \$500,000 in aggregate annually. At June 30, 2014 the Workers Compensation Self Insurance Fund had recorded a liability of \$113,258 for estimated unpaid claims.

The City provides its employees with dental coverage through a choice of self-insurance plans. Covered claims are limited to a maximum of \$1,500 per employee annually. At June 30, 2014, the Dental Self Insurance Fund had recorded a liability of \$56,913 for estimated unpaid claims.

On July 1, 1999, the City began to partially self-insure group health benefits, with commercial insurance providing coverage for health benefit claims in excess of \$125,000 per claim. The commercial coverage provides \$4,875,000 in coverage for claims in excess of the City's assumed claim risk of \$125,000. The City also has commercial coverage for claims exceeding approximately \$4,523,895 in aggregate annually. At June 30, 2014 the Group Health Benefits Fund had a recorded liability of \$502,301 for estimated unpaid claims.

A summary of changes in the liability recorded for estimated unpaid claims follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Estimated</u> <u>Claims</u> <u>Incurred</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>2014</u>				
Workers Compensation				
Self Insurance Fund	\$ 113,258	\$ 258,432	\$ 258,432	\$ 113,258
Dental Self Insurance Fund	56,913	584,755	584,755	56,913
Group Health Benefits Fund	<u>502,301</u>	<u>4,774,037</u>	<u>4,774,037</u>	<u>502,301</u>
	<u>\$ 672,472</u>	<u>\$ 5,617,224</u>	<u>\$ 5,617,224</u>	<u>\$ 672,472</u>
	<u>Balance</u> <u>July 1, 2012</u>	<u>Estimated</u> <u>Claims</u> <u>Incurred</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>2013</u>				
Workers Compensation				
Self Insurance Fund	\$ 130,000	\$ 467,153	\$ 450,411	\$ 113,258
Dental Self Insurance Fund	64,772	460,540	452,681	56,913
Group Health Benefits Fund	<u>499,677</u>	<u>5,231,024</u>	<u>5,233,648</u>	<u>502,301</u>
	<u>\$ 694,449</u>	<u>\$6,158,717</u>	<u>\$ 6,136,740</u>	<u>\$ 672,472</u>

III. Detail Notes on All Funds: (continued)

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City has obtained flood insurance coverage through Millennium Insurance Group; the City has purchased coverage of \$1,000,000 per occurrence.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$100,000 and the tax collector is bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

The Burlington Downtown Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Burlington Downtown Corporation has property, general liability, workers' compensation, and employee health coverages. Claims have not exceeded coverage in any of the past three fiscal years and there has been no significant reduction in insurance coverage in the prior year.

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2014, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

6. Long-Term Obligations

a. Installment Purchase

On October 11, 1995, the City entered into an installment purchase contract to finance recreational facility improvements. The financing contract requires thirty semi-annual payments of \$161,471 beginning April 11, 1996 with interest at 4.91% per annum. On September 2, 2003, the City amended its original financing contract to finance the recreational facility improvements. The financing contract now requires fifteen semi-annual payments of \$146,562 beginning October 11, 2003 with interest at 2.6% per annum. On May 13, 2002 the City entered into a second installment purchase contract to finance the construction of the Springwood Recreation Park. The financing contract requires thirty semi-annual payments of \$133,333 beginning November 13, 2002 with interest at 4.78% per annum.

On August 15, 2003, the City amended its second installment purchase contract to finance the construction of the Springwood Recreation Park. The financing contract now requires twenty-eight semi-annual payments of \$133,333 beginning November 13, 2003 with interest at 3.840% per annum. On September 13, 2011 the City entered into an installment purchase to purchase various pieces of equipment. The financing contract requires three annual payments of \$428,671 beginning September 13, 2011 with interest at 1.47% per annum. This installment was paid in full as of June 30, 2014. On August 31, 2012 the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$453,527.26 beginning September 5, 2012 with interest at 1.030%. On August 13, 2013 the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$544,452 beginning September 3, 2013 with interest of .920%.

III. Detail Notes on All Funds: (continued)

Annual debt service payments of the installment purchase as of June 30, 2014, including \$72,240 of interest, are as follows:

<u>Governmental Activities</u>		
Year Ending June 30	Principal	Interest
2015	\$ 1,250,800	\$ 42,008
2016	806,488	22,552
2017	266,667	7,680
Present value of the minimum lease payments	<u>\$ 2,323,955</u>	
Total interest payments		<u>\$ 72,240</u>

b. General Obligation Indebtedness

The City's general obligation bonds serviced by the governmental funds were issued for the acquisition of public safety equipment. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2014 are comprised of the following individual issues:

General Obligation Bonds

Serviced by the General Fund:

\$5,521,801 of 2005 General Obligation Refunding Bonds due in annual installments of \$31,305 to \$662,616 through February 1, 2019; interest at rates ranging from 3.75% to 5.00% per annum. 2,765,248

\$9,300,000 of 2006 General Obligation Street Bonds due in annual installments of \$465,000 through June 1, 2016; interest at rates ranging from 3.60% to 4.20% per annum. The amount shown includes the unamortized bond premium of \$22,019. 952,020

\$5,321,000 of 2013 refinanced General Obligation Bonds due in annual installments ranging from \$74,000 to \$543,000 through June 1, 2026; interest at 1.85% annum. The amount shown includes unamortized bond premium of \$107,077. 5,277,077

Serviced by the Water and Sewer Fund:

\$10,353,198 of 2005 General Obligation Refunding Bonds due in annual installments of \$58,695 to \$1,242,384 through February 1, 2019; interest at rates ranging from 3.75% to 5.00% per annum. 5,184,752
\$ 14,179,097

III. Detail Notes on All Funds: (continued)

At June 30, 2014 the City of Burlington had a legal debt margin of \$358,415,803.

General Obligation Bonds

Annual debt service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Principal	Interest	Principal	Interest
2015	\$ 1,178,268	\$ 252,743	\$ 1,196,732	\$ 218,266
2016	1,180,268	200,842	1,196,732	158,429
2017	1,174,311	151,799	1,183,689	110,559
2018	1,159,355	116,501	1,607,599	79,598
2019	759,046	81,629	-	-
2020-2024	2,489,000	221,891	-	-
2025-2026	<u>925,000</u>	<u>25,568</u>	-	-
Total	<u>\$ 8,865,248</u>	<u>\$ 1,050,973</u>	<u>\$ 5,184,752</u>	<u>\$ 566,852</u>

c. Revenue Bonds

\$11,825,000 of Combined Enterprise System Revenue bonds, Series 2010A
Interest is payable semiannually on February 1st and August 1st at a fixed rate
ranging from 3.0% to 5.0%. Principal amounts will be due on February 1st
beginning in 2012 and maturing in 2024.

\$ 8,760,000

Year Ending June 30	Principal	Interest
2015	\$ 1,085,000	\$ 359,275
2016	1,080,000	329,437
2017	1,085,000	286,237
2018	1,095,000	242,838
2019	1,115,000	188,087
2020-2024	<u>3,300,000</u>	<u>436,602</u>
	<u>\$ 8,760,000</u>	<u>\$ 1,842,476</u>

\$10,700,000 of Combined Enterprise System Revenue bonds, Series 2010B
Build America Bonds (Direct Payment). Interest is payable semiannually on
February 1st and August 1st at a fixed rate of 5.412% to 6.975%. The City will
receive a subsidy of 35 percent of interest cost from the Federal Government.

\$ 10,700,000

Year Ending June 30	Principal	Interest
2015	\$ -	\$ 702,820
2016	-	702,820
2017	-	702,820
2018	-	702,820
2019	-	702,820
2020-2024	2,420,000	3,257,692
2025-2029	2,935,000	2,461,935
2030-2034	3,645,000	1,376,598
2035-2036	<u>1,700,000</u>	<u>179,257</u>
	<u>\$ 10,700,000</u>	<u>\$ 10,789,582</u>

II. Detail Notes on All Funds: (continued)Revenue bonds (continued)

\$18,370,000 of Combined Enterprise System Revenue bonds, Series 2011
Interest is payable semiannually on February 1st and August 1st at a fixed rate
ranging from 3.0% to 5.0%. Principal amounts will be due on February 1st
beginning in 2012 and maturing in 2037.

\$ 17,455,000

Year Ending June 30	Principal	Interest
2015	\$ 475,000	\$ 733,075
2016	495,000	714,075
2017	515,000	694,274
2018	535,000	673,674
2019	555,000	652,275
2020-2024	3,130,000	2,914,663
2025-2029	3,760,000	2,291,540
2030-2034	4,645,000	1,401,565
2035-2037	<u>3,345,000</u>	<u>288,151</u>
	<u>\$ 17,455,000</u>	<u>\$ 10,363,292</u>

The City has been in compliance with the covenants as to rates, fees, rentals and charges in Section 704 of the Bond Order, authorizing the issuance of the Water and Sewer Bonds, Series 2010A, 2010 B and 2011 since its adoption. The City has pledged future water and sewer customer revenues, net of specified operating expenses, for repayment of \$75,009,946 in water and sewer system revenue bonds issue 2010A and 2010 B and 2011. Proceeds from the bonds provided financing for various upgrades and repairs to the city's dams, water and sewer plants. The bonds are payable solely from water and sewer customer net revenues and are payable through 2037. The total principal and interest remaining to be paid on all outstanding series of revenue bonds was \$59,910,350 as of June 30, 2014. Certain financial covenants are combined in the revenue bond order, including a covenant to budget and collect revenues in the combined enterprise system sufficient enough to pay the principal and interest requirements and maintain unrestricted net assets at a level that provides that 15% of unrestricted net assets on the last day of the fiscal year added to Income Available for Debt Service will not be less than 120% of the long-term debt service requirement for parity indebtedness for such fiscal year. Pledged unrestricted net assets at June 30, 2014 were \$8,009,838 to provide a coverage ratio of 825%. The long-term debt service coverage ratio calculations for the year ended June 30, 2014, is as follows:

Operating revenues	\$21,065,349
Operating expenses*	14,998,174
Operating income	6,067,175
Nonoperating revenues (expenses)**	6,183,621
Income available for debt service	12,250,796
Debt service, principal and interest paid (Revenue bond only)	2,456,041
Debt service coverage ratio	499%

*Per rate covenants, this does not include the depreciation expense of \$4,983,755

** Per rate covenants, this does not include revenue bond interest paid of \$1,862,120

The City also has \$5,751,604 of System GO Indebtedness outstanding that is associated with the bonds.

e. Advance Refunding

On December 31, 2010 the City issued \$11,825,000 in Combined System Revenue Bonds with interest ranging from 2.75% to 5% with a final maturity in 2024. These bonds were issued to defease the 2004 Certificates of Participation and for the water and sewer project. The amount defeased was \$9,940,000. The net proceeds of \$8,963,078 along with the City's payment of \$2,100,391 were used to purchase U.S. government t securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Certificates. As a result, the liabilities for the 2004 Certificates of Participation have been removed from the Water & Sewer Fund.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$153,460. This difference related to water and sewer certificates is reported in the accompanying financial statements as an addition to bonds payable and is being amortized over the life of the new debt. The bond issuance costs associated with the advance refunding were capitalized and are being amortized over the life of the refunded debt. The City completed the advance refunding to reduce its total future debt service payments by \$1,614,608.

On April 12, 2013 the City issued \$5,321,000 in General Obligation Refunding Bonds, Series 2013 with an interest bearing rate of 1.85% to advance refund \$5,260,860.18 of the 2006 General Obligation Street Bonds with interest rates ranging from 3.60% to 4.20%. The net proceeds of the \$5,321,000 refunding bonds were used t o purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded bonds. As a result the liability of what the Refunding Bonds covered were removed from the books.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$206,000. The difference is reported in the accompanying financial statements as an addition to bonds payable and is being amortized over the life of the new debt. The City completed the advance refunding to reduce its total future debt service payments by \$880,059.

f. Changes in Long-Term Liabilities

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Current Portion of Balance
Governmental activities:					
General Obligation bonds	\$ 10,044,256	\$ -	\$ 1,179,007	\$ 8,865,249	\$ 1,178,268
Add: Bond premium	<u>145,065</u>	<u>-</u>	<u>15,969</u>	<u>129,096</u>	<u>-</u>
Total General Obligation bonds	<u>\$ 10,189,321</u>	<u>\$ -</u>	<u>\$ 1,194,976</u>	<u>\$ 8,994,345</u>	<u>\$ 1,178,268</u>
Installment purchase	\$ 2,382,461	\$ 1,619,502	\$ 1,678,008	\$ 2,323,955	\$ 1,250,800
Compensated absences	2,314,151	1,456,057	1,396,689	2,373,519	830,732
OPEB liability	<u>2,791,775</u>	<u>302,874</u>	<u>-</u>	<u>3,094,649</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$17,677,708</u>	<u>\$ 3,378,433</u>	<u>\$ 4,269,673</u>	<u>\$ 16,786,468</u>	<u>\$ 3,259,800</u>
Business-type activities:					
General obligation bonds	\$ 6,384,745	\$ -	\$ 1,199,993	\$ 5,184,752	\$ 1,196,732
Revenue Bonds	\$38,440,000	\$ -	\$ 1,525,000	\$ 36,915,000	\$ 1,560,000
Add: deferred amount for gain on defeasance	45,250	-	45,250	-	-
Add: Bond premium	<u>948,149</u>	<u>-</u>	<u>42,061</u>	<u>906,088</u>	<u>-</u>
Total revenue bonds	<u>\$39,433,399</u>	<u>\$ -</u>	<u>\$ 1,612,311</u>	<u>\$ 37,821,088</u>	<u>\$ 1,560,000</u>
Compensated absences	\$ 433,081	\$ 299,687	\$ 309,549	\$ 423,219	\$ 148,127
OPEB liability	<u>454,475</u>	<u>91,640</u>	<u>-</u>	<u>546,115</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$46,705,700</u>	<u>\$ 391,327</u>	<u>\$ 3,121,853</u>	<u>\$ 43,975,174</u>	<u>\$ 2,904,859</u>

Compensated absences for governmental activities has typically been liquidated in the General Fund.

III. Detail Notes on All Funds: (continued)C. Interfund Balances and Activity

Due to/Due From between the Governmental and Proprietary funds is due to the internal service fund being blended into the Governmental fund of \$582,188.

Transfers to/from other funds at June 30, 2014 consist of the following:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
Transfers To/From Other Funds:		
<u>General Fund</u>		
Capital Reserve Fund	620,000	920,540
Group Health Benefits	-	35,002
MPO Planning Transportation	-	73,354
Bureau of Just Asst Comm Orient Police Grant	-	18,176
Fire Station No. 6	-	300,000
ARRA Piedmont Way Widening and Sidewalk	-	5,000
Workmen's Compensation	-	277,854
Total General Fund	<u>620,000</u>	<u>1,629,926</u>
<u>Capital Reserve Fund</u>		
General Fund	920,540	620,000
Drainage Improvements	-	25,000
Total Capital Reserve	<u>920,540</u>	<u>645,000</u>
<u>Special Revenue Funds</u>		
MPO Planning Transportation		
General Fund	73,354	-
Home Program Project Fund		
Rental Rehabilitation Loan Program Fund	18,701	-
Rental Rehabilitation Loan Program Fund		
Home Program Project Fund		18,701
Bureau of Justice Asst Comm Orient Police		
General Fund	18,176	-
Total Special Revenue Fund	<u>110,231</u>	<u>18,701</u>
<u>Internal Service Funds</u>		
Group Health Benefits		
General Fund	35,002	-
Water & Sewer Fund	70,000	-
Workmen's Compensation Fund		
General Fund	277,854	-
Water & Sewer Fund	<u>118,570</u>	-
Total Internal Service Fund	<u>501,426</u>	-

III. Detail Notes on All Funds: (continued)

	Transfers	
	<u>In</u>	<u>Out</u>
<u>Water Fund</u>		
Water Capital Reserve	-	1,017,024
Sewer Capital Reserve	-	1,017,023
Workmen's Compensation	-	118,570
Group Health Insurance	-	70,000
Total Water Fund	-	2,222,617
<u>Water Capital Projects</u>		
Water Capital Reserve		
Water & Sewer Fund	1,017,024	-
Sewer Capital Reserve		
Water & Sewer Fund	1,017,023	-
Sewer Capital Reserve		
Whites Kennel Road Water and Sewer Lines – Golden Leaf	-	54,000
Whites Kennel Road Water and Sewer Lines – Golden Leaf		
Sewer Capital Reserve	54,000	-
Sewer Capital Reserve		
Jordan Lake Rules	-	482,000
Jordan Lakes Rules		
Sewer Capital Reserve	482,000	-
Jordan Lake Rules 2 nd Phase		
Jordan Lake Rules	110,000	-
Jordan Lake Rules		
Jordan Lake Rules 2 nd Phase	-	110,000
Total Water Capital Projects	2,680,047	646,000
<u>Capital Projects</u>		
Drainage Improvements		
Capital Reserve Fund	25,000	
Fire Station No. 6		
General Fund	300,000	-
ARRA Piedmont Way Widening and Sidewalk		
General Fund	5,000	-
Total Capital Projects	330,000	-
Total Operating Transfers	\$ 5,162,244	\$ 5,162,244

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

III. Detail Notes on All Funds: (continued)

D. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2014, the City of Burlington has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of \$32,196 for the 90 employed fireman who perform firefighting duties for the City's fire department. The employees elected to be members of the Firefighter and Rescue Worker's Pension Fund, a cost-sharing, multiple employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

Also, the City has recognized as a revenue and an expenditure on-behalf payments for fringe benefits and salaries of \$49,223 for the salary supplement and stipend benefits paid to eligible firefighter by the local board of trustees of the Firefighter's Relief Fund during the fiscal year ended June 30, 2014. Under State law the local board of trustees for the Fund receives an amount each year, which the board may use at its own discretion for eligible firefighter or their departments.

E. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 61,081,240	\$ 148,860,731
Less: long-term debt	11,318,300	43,005,840
Add: unexpended debt proceeds	-	1,352,744
	<u>\$ 49,762,940</u>	<u>\$ 107,207,635</u>

F. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance – General Fund	\$	51,672,991
Less:		
Stabilization by State Statute		6,954,980
Historic Books		1,418
Animal Shelter		562
Capital Reserve Fund		16,925,388
Appropriated Fund Balance in 2014 budget		1,636,986
General Government		4,316,000
Economic Development		3,000,000
Public Works		3,125,000
Parks and Recreation		1,381,370
Public Safety:		
Police		3,750,000
Fire		1,200,000
Disaster Management		500,000
Working Capital/Fund Balance Policy		8,881,287
Remaining Fund Balance		-

IV. Jointly Governed Organization

The City, in conjunction with six counties and thirty-two other municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$15,817 to the Council during the fiscal year ended June 30, 2014.

V. Joint Ventures

The City, in conjunction with the City of Graham, participates in the Burlington-Graham Board of Alcoholic Control. Each participating government appoints two members to the five-member board. The two governments jointly appoint one member to the Board. The ABC Board is a joint venture established to facilitate control over alcoholic beverages within the two cities. The City of Burlington and the City of Graham are legally obligated under the intergovernmental agreement that created the ABC Board to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The two cities were not required to contribute to the ABC Board during the fiscal year ended June 30, 2014. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2014. Complete financial statements for the ABC Board can be obtained from the administrative offices at 603 W. Harden Street, City of Graham, NC 27253.

VI. Related Organization

The members of the governing board of the Burlington Housing Authority are appointed by the City but the City has no authority in selecting the management of the Authority. The City is not responsible for financing any deficits of the Authority nor is it entitled to any surpluses. The Authority does operate within the geographical boundaries of the City and is for the benefit of the residents of the City. The City exercises no financial or budgetary control over the Authority.

VII. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The City has received proceeds from federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

See independent auditor's report.



**REQUIRED SUPPLEMENTAL
FINANCIAL DATA**
Individual Fund Schedules

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Funding Progress for the Other Postemployment Benefits.
- Schedule of Employer Contributions for the the Other Postemployment Benefits.
- Notes to the Required Schedules for the Other Postemployment Benefits.

CITY OF BURLINGTON, NORTH CAROLINA
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date *	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/08	-	3,440,042	3,440,042	-%	5,660,065	60.78%
12/31/09	-	4,198,917	4,198,917	-%	6,192,080	67.81%
12/31/10	-	4,027,810	4,027,810	-%	6,454,034	62.41%
12/31/11	-	4,075,535	4,075,535	-%	6,400,341	63.68%
12/31/12	-	4,184,153	4,184,153	-%	6,774,469	61.76%
12/31/13	-	4,257,307	4,257,307	-%	6,900,739	61.69%

* Information is based on the actuarial studies performed as of December 31, 2013, 2012, 2011, 2010, 2009, and 2008 respectively. No actuarial studies were performed for the City prior to 1996.

** At Cost.

CITY OF BURLINGTON, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended <u>June 30,</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2009	288,703	144.91%
2010	313,873	131.15%
2011	387,593	104.59%
2012	387,359	110.07%
2013	398,066	105.63%
2014	433,876	108.33%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay closed
Remaining amortization period	17 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
* Includes inflation at	3.00%
Cost of living adjustments	N/A

CITY OF BURLINGTON, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date *	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/08	-	\$ 17,050,699	17,050,699	-%	\$ 24,769,558	68.80%
12/31/09	-	22,509,884	22,509,884	-%	23,783,806	94.60%
12/31/10	-	25,648,600	25,648,600	-%	24,696,478	103.90%
12/31/11	-	22,526,021	22,526,021	-%	24,050,629	93.70%
12/31/12	-	22,819,240	22,819,240	-%	23,875,839	95.06%
12/31/13	-	23,527,448	23,527,448	-%	23,539,826	99.90%

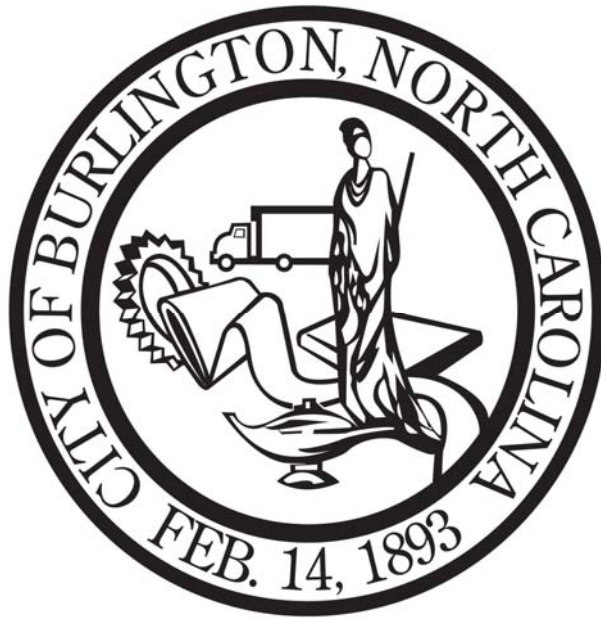
CITY OF BURLINGTON, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended June 30, _</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2012	2,028,250	65.10%
2013	2,121,069	62.60%
2014	2,120,839	81.40%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar Amount, Closed
Remaining amortization period	28 Years
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	7.75%-5.00%
Post-Medicare Trend Rate	0.00%
Year of Ultimate trend rate	2019
* Includes inflation at	3.00%



GENERAL FUND
Individual Fund Schedule

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
BALANCE SHEET
For the Fiscal Year Ended June 30, 2014

June 30,
2014

ASSETS

Cash and cash equivalents	\$	29,551,866
Receivables (net):		
Taxes		971,834
Accounts		<u>7,831,278</u>
Total assets	\$	<u><u>38,354,978</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Accounts payable and accrued liabilities	\$	2,064,680
Deferred revenues		<u>1,542,695</u>
Total liabilities		<u>3,607,375</u>
FUND BALANCES:		
Restricted :		
Stabilization by State Statute		6,954,980
Historic Books		1,418
Animal Shelter		562
Assigned		
Subsequent Years Expenditures		1,636,986
General Government		4,316,000
Economic Development		3,000,000
Public Works		3,125,000
Parks and Recreation		1,381,370
Public Safety		5,450,000
Unassigned		<u>8,881,287</u>
Total fund balances		<u>34,747,603</u>
Total liabilities and fund balances	\$	<u><u>38,354,978</u></u>

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$	\$ 26,292,235	\$
Prior year		898,396	
Penalties and interest		117,762	
Tax discounts		(311,214)	
Total	<u>24,759,220</u>	<u>26,997,179</u>	<u>2,237,959</u>
Other Taxes and Licenses:			
Payment in lieu of taxes		123,458	
Privilege licenses		562,483	
Cable TV franchise tax		372,608	
Local option sales tax		9,911,575	
Total	<u>10,052,000</u>	<u>10,970,124</u>	<u>918,124</u>
Unrestricted Intergovernmental Revenues:			
Utility franchise tax		3,407,977	
Beer and wine tax		223,942	
Alamance County fuel purchase		620,296	
ABC revenue		145,888	
Alamance Jr. Tennis Foundation		22,558	
Total	<u>4,288,530</u>	<u>4,420,661</u>	<u>132,131</u>
Restricted Intergovernmental Revenues:			
ABC police contract		31,505	
Powell Bill allocation		1,448,746	
N. C. Department of Transportation		485,441	
On-behalf of Payments- Fire and rescue		81,419	
Camp Green Leaves		15,250	
PTCOG Grants		12,209	
Alamance-Burlington Schools – Afterschool Program		143,354	
Alamance-Burlington Schools – School Guards		80,080	
Animal Shelter		32,178	
Miscellaneous		5,300	
Teen to Teen Theatre		146	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues: (continued)			
Restricted Intergovernmental			
Revenues: (continued)			
Junior Police Academy		3,750	
Spay/Neuter Clinic		136	
Recreation		74,389	
Senior Programs		49,419	
Reimbursed Cost		1,266,450	
NCHFA Urgent Repair Grant		37,500	
Donations		3,600	
North Park in Motion Program		2,300	
Total	<u>4,663,633</u>	<u>3,773,172</u>	<u>(890,461)</u>
Permits and Fees:			
Building permits and			
inspection fees		498,824	
Fees and permits – other		629,948	
Total	<u>966,400</u>	<u>1,128,772</u>	<u>162,372</u>
Sales and Services:			
Animal Control – Alamance			
County		316,555	
Miscellaneous		219,354	
Recreation department			
revenues		1,860,442	
Cemetery lots and fees		123,500	
Sanitation fees		1,296,342	
Total	<u>4,081,489</u>	<u>3,816,193</u>	<u>(265,296)</u>
Investment Earnings:			
Investment earnings		61,025	
Interest earned-			
street assessment		6,268	
Vacant Lot / Demo			
Interest		28,946	
Total	<u>127,251</u>	<u>96,239</u>	<u>(31,012)</u>
Miscellaneous:			
Sale of properties and			
materials		74,705	
Miscellaneous		595,915	
Total	<u>173,769</u>	<u>670,620</u>	<u>496,851</u>
Total Revenues	<u>49,112,292</u>	<u>51,872,960</u>	<u>2,760,668</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures:			
General Government:			
City Council:			
Salaries and employee benefits		73,698	
Operating expenditures		<u>92,148</u>	
Total		165,846	
Reimbursement from Water and Sewer Fund		<u>(35,683)</u>	
Total City Council	<u>141,723</u>	<u>130,163</u>	<u>11,560</u>
Public Administration:			
Salaries and employee benefits		275,216	
Operating expenditures		<u>12,844</u>	
Total		288,060	
Reimbursement from Water and Sewer Fund		<u>(102,505)</u>	
Total Public Administration	<u>194,811</u>	<u>185,555</u>	<u>9,256</u>
Public Information:			
Salaries and employee benefits		72,552	
Operating expenditures		<u>51,730</u>	
Total		124,282	
Reimbursement from Water and Sewer Fund		<u>(55,600)</u>	
Total Public Information	<u>105,669</u>	<u>68,682</u>	<u>36,987</u>
Finance:			
Supervision:			
Salaries and employee benefits		417,445	
Operating expenditures		<u>20,939</u>	
Total		438,384	
Reimbursement from Water and Sewer Fund		<u>(230,805)</u>	
Net		<u>207,579</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Finance(continued):			
Collections:			
Salaries and employee benefits		274,881	
Operating expenditures		<u>96,172</u>	
Total		<u>371,053</u>	
Reimbursement from Water and Sewer Fund		<u>(181,434)</u>	
Net		<u>189,619</u>	
Purchasing:			
Salaries and employee benefits		244,234	
Operating expenditures		15,320	
Capital Outlay		<u>22,539</u>	
Total Purchasing		<u>282,093</u>	
Total Finance	<u>839,412</u>	<u>679,291</u>	<u>160,121</u>
Information Technologies:			
Salaries and employee benefits		569,158	
Operating expenditures		424,806	
Capital outlay		<u>255,576</u>	
Total		1,249,540	
Reimbursement from Water and Sewer Fund		<u>(327,759)</u>	
Total Information Technologies	<u>1,016,488</u>	<u>921,781</u>	<u>94,707</u>
Legal:			
Salaries and employee benefits		97,267	
Operating expenditures		<u>189,117</u>	
Total		286,384	
Reimbursement from Water and Sewer Fund		<u>(133,384)</u>	
Total Legal	<u>447,519</u>	<u>153,000</u>	<u>294,519</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Human Resources:			
Salaries and employee benefits		245,434	
Operating expenditures		<u>555,331</u>	
Total		800,765	
Reimbursement from Water and Sewer Fund		<u>(147,982)</u>	
Total Human Resources	<u>691,499</u>	<u>652,783</u>	<u>38,716</u>
Planning GIS Division:			
Salaries and employee benefits		158,254	
Operating expenditures		40,935	
Capital Outlay		<u>18,559</u>	
Total		217,748	
Reimbursement from Water and Sewer Fund		<u>(124,335)</u>	
Total Planning GIS Division	<u>162,828</u>	<u>93,413</u>	<u>69,415</u>
Planning:			
Salaries and employee benefits		547,887	
Operating expenditures		<u>120,729</u>	
Total		668,616	
Reimbursement from Water and Sewer Fund		<u>(124,334)</u>	
Total Planning	<u>603,912</u>	<u>544,282</u>	<u>59,630</u>
Inspections:			
Salaries and employee benefits		264,928	
Operating expenditures		58,107	
Capital outlay		<u>-</u>	
Total		323,035	
Reimbursement from Water and Sewer Fund		<u>(124,334)</u>	
Total Inspections	<u>278,633</u>	<u>198,701</u>	<u>79,932</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

Continued on next page.

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Engineering:			
Salaries and employee benefits		516,517	
Operating expenditures		42,117	
Capital Outlay		<u>38,935</u>	
Total		597,569	
Reimbursement from Water and Sewer Fund		<u>(214,744)</u>	
Total Engineering	<u>448,624</u>	<u>382,825</u>	<u>65,799</u>
Traffic Control Supervisor:			
Salaries and employee benefits		448,339	
Operating expenditures		235,598	
Capital Outlay		<u>-</u>	
Total Traffic Control	<u>758,472</u>	<u>683,937</u>	<u>74,535</u>
Transportation Tech Services:			
Salaries and employee benefits		601,216	
Operating expenditures		137,654	
Capital Outlay		<u>-</u>	
Total Transportation Tech Services	<u>806,302</u>	<u>738,870</u>	<u>67,432</u>
Street lighting	<u>650,000</u>	<u>657,699</u>	<u>(7,699)</u>
General Administration and Building:			
Salaries and employee benefits		1,489,272	
Insurance		478,114	
Operating expenditures		535,198	
Special projects		<u>232,500</u>	
Total General Administration and Building	<u>3,303,963</u>	<u>2,735,084</u>	<u>568,879</u>
Total General Government	<u>10,449,855</u>	<u>8,826,066</u>	<u>1,623,789</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

Continued on next page.

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Safety:			
Police:			
Administration:			
Salaries and employee benefits		761,105	
Operating expenditures		904,976	
Capital outlay		<u>488,718</u>	
Total		<u>2,154,799</u>	
Records:			
Salaries and employee benefits		153,680	
Operating expenditures		<u>147,155</u>	
Total		<u>300,835</u>	
Training and Personnel Services:			
Salaries and employee benefits		191,116	
Operating expenditures			
Capital Outlay		<u>212,225</u>	
Total		<u>403,341</u>	
Criminal Investigations:			
Salaries and employee benefits		1,239,378	
Operating expenditures		<u>83,884</u>	
Total		<u>1,323,262</u>	
Field Operations Division:			
Salaries and employee benefits		4,974,784	
Operating expenditures		54,137	
Capital Outlay		<u>-</u>	
Total		<u>5,028,921</u>	
Retirees:			
Salaries and employee benefits		<u>500,895</u>	
Total		<u>500,895</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

Continued on next page.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures: (continued)			
Public Safety: (continued)			
Police: (continued)			
Community Policing:			
Salaries and employee benefits		1,246,002	
Operating expenditures		21,206	
Capital Outlay		<u>65,532</u>	
Total		<u>1,332,740</u>	
Animal Services-Field:			
Salaries and employee benefits		87,627	
Operating expenditures		<u>481</u>	
Total		<u>88,108</u>	
Identification:			
Salaries and employee benefits		160,009	
Operating expenditures		<u>18,855</u>	
Total		<u>178,864</u>	
Communications:			
Salaries and employee benefits		759,588	
Operating expenditures		383,103	
Capital Outlay		<u>22,434</u>	
Total		<u>1,165,125</u>	
Animal Services Shelter:			
Salaries and employee benefits		546,900	
Operating expenditures		270,775	
Capital Outlay		<u>7,444</u>	
Total		<u>825,119</u>	
Informational Services:			
Salaries and employee benefits		73,800	
Operating expenditures		<u>116</u>	
Total		<u>73,916</u>	

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

Continued on next page.

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Police: (continued)			
Spay/Neuter:			
Salaries and employee benefits		37,615	
Operating expenditures		<u>88,013</u>	
Total		<u>125,628</u>	
Special Operations:			
Salaries and employee benefits		962,237	
Operating expenditures		<u>80,822</u>	
Total		<u>1,043,059</u>	
Emergency Management:			
Salaries and employee benefits		58,460	
Operating expenditures		<u>19,289</u>	
Total		<u>77,749</u>	
Total Police	<u>14,702,350</u>	<u>14,622,361</u>	<u>79,989</u>
Fire:			
Supervision:			
Salaries and employee benefits		502,236	
Operating expenditures		98,580	
Capital Outlay		<u>186,033</u>	
Total		<u>786,849</u>	
Training:			
Salaries and employee benefits		163,629	
Operating expenditures		14,712	
Capital outlay		<u>-</u>	
Total		<u>178,341</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Fire: (continued)			
Industrial Inspection and Prevention:			
Salaries and employee			
Benefits		425,629	
Operating			
expenditures		<u>23,348</u>	
Total		<u>448,977</u>	
Fire Fighting:			
Salaries and employee			
benefits		4,510,172	
Operating expenditures		341,837	
Capital Outlay		<u>650,728</u>	
Total		<u>5,502,737</u>	
Fire Station and Buildings:			
Operating expenditures		143,743	
Capital Outlay		<u>-</u>	
Total		<u>143,743</u>	
Training Center:			
Operating			
expenditures		<u>43,645</u>	
Total		<u>43,645</u>	
Emergency Response			
Equipment:			
Operating expenditures		174,967	
Capital Outlay		<u>-</u>	
Total		<u>174,967</u>	
Total Fire	<u>7,291,634</u>	<u>7,279,259</u>	<u>12,375</u>
Total Public Safety	<u>21,993,984</u>	<u>21,901,620</u>	<u>92,364</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures (continued):			
Public Works:			
Public Works Department:			
Public Works Supervision:			
Salaries and employee benefits		202,868	
Operating expenditures		26,462	
Capital outlay		<u>20,684</u>	
Total		<u>250,014</u>	
Building Maintenance:			
Salaries and employee benefits		556,111	
Operating expenditures		<u>53,420</u>	
Total		<u>609,531</u>	
Sustainability:			
Salaries and employee Benefits		168,024	
Operating expenditures		12,459	
Capital Outlay		<u>24,292</u>	
Total		<u>204,775</u>	
Equipment Maintenance:			
Salaries and employee benefits		679,286	
Operating expenditures		682,178	
Capital Outlay		<u>184,174</u>	
Total		<u>1,545,638</u>	
Street Signs - Marking:			
Salaries and employee benefits		159,345	
Operating expenditures		<u>47,660</u>	
Total		<u>207,005</u>	
Municipal Building:			
Operating expenditures		<u>201,788</u>	
Total		<u>201,788</u>	
May Memorial Library:			
Operating expenditures		<u>128,513</u>	
Total		<u>128,513</u>	
Total Public Works Department	<u>3,099,792</u>	<u>3,147,264</u>	<u>(47,472)</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

Continued on next page.

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures (continued):			
Public Works Department (continued):			
Street Department:			
Supervision:			
Salaries and employee benefits		168,328	
Operating expenditures		28,012	
Capital outlay		<u>26,832</u>	
Total		<u>223,172</u>	
Maintenance-Paved Streets:			
Salaries and employee benefits		859,631	
Operating expenditures		2,667,008	
Capital Outlay		<u>462,126</u>	
Total		<u>3,988,765</u>	
Total Street Department	<u>4,983,824</u>	<u>4,211,937</u>	<u>771,887</u>
Sanitation Department:			
Supervision:			
Salaries and employee benefits		116,825	
Operating expenditures		<u>32,976</u>	
Total		<u>149,801</u>	
Garbage and Waste Collection:			
Salaries and employee benefits		705,548	
Operating expenditures		1,339,951	
Capital Outlay		<u>487,819</u>	
Total		<u>2,533,318</u>	
Total Sanitation	<u>2,851,295</u>	<u>2,683,119</u>	<u>168,176</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Works Department (continued):			
Cemetery Department:			
Maintenance:			
Supervision:			
Salaries and employee benefits		162,087	
Operating expenditures		<u>29,110</u>	
Total		<u>191,197</u>	
Interment and Maintenance:			
Salaries and employee benefits		521,648	
Operating expenditures		202,770	
Capital Outlay		<u>54,590</u>	
Total		<u>779,008</u>	
Total Cemetery	<u>1,027,820</u>	<u>970,205</u>	<u>57,615</u>
Street Tree Program:			
Salaries and employee benefits		19,213	
Operating expenditures		<u>15,878</u>	
Total Street Program	<u>43,422</u>	<u>35,091</u>	<u>8,331</u>
Total Public Works	<u>12,006,153</u>	<u>11,047,616</u>	<u>958,537</u>
Cultural and Recreation:			
Recreation:			
Supervision:			
Salaries and employee benefits		493,960	
Operating expenditures		<u>16,896</u>	
Total		<u>510,856</u>	
Day Camps and Afterschools:			
Salaries and employee Benefits		511,737	
Operating expenditures		<u>137,926</u>	
Total		<u>649,663</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Cultural and Recreation:			
Recreation: (continued)			
Athletics:			
Salaries and employee			
benefits		690,114	
Operating expenditures		545,010	
Capital Outlay		<u>45,262</u>	
Total		<u>1,280,386</u>	
Special Events:			
Salaries and employee			
benefits		23,087	
Operating			
expenditures		<u>196,849</u>	
Total		<u>219,936</u>	
Fairchild Stadium:			
Operating			
expenditures		61,692	
Capital Outlay		<u>57,038</u>	
Total		<u>118,730</u>	
Recreation Buildings:			
Salaries and employee			
benefits		1,042,995	
Operating expenditures		595,002	
Capital outlay		<u>74,053</u>	
Total		<u>1,712,050</u>	
Aquatics:			
Salaries and employee			
benefits		275,023	
Operating expenditures		160,801	
Capital Outlay		<u>13,400</u>	
Total		<u>449,224</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Cultural and Recreation:			
Recreation: (continued)			
Camp Green Leaves:			
Salaries and employee			
benefits		37,977	
Operating expenditures		<u>20,981</u>	
Total		<u>58,958</u>	
Amusement Park:			
Salaries and employee			
benefits		106,876	
Operating			
expenditures		97,067	
Capital Outlay		<u>-</u>	
Total		<u>203,943</u>	
Golf Course:			
Salaries and employee			
benefits		424,544	
Operating expenditures		270,354	
Capital outlay		<u>31,957</u>	
Total		<u>726,855</u>	
Paramount Theater:			
Salaries and employee			
benefits		156,131	
Operating			
expenditures		78,867	
Capital Outlay		<u>63,549</u>	
Total		<u>298,547</u>	
Total Cultural and Recreation	<u>6,315,152</u>	<u>6,229,148</u>	<u>86,004</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Debt Service:			
Principal - bond	1,179,000	1,179,000	-
Interest and other charges - bond	304,711	304,710	1
Principal - capital lease	1,678,556	1,678,008	548
Interest and other charges - capital lease	<u>53,710</u>	<u>53,709</u>	<u>1</u>
Total Debt Service	<u>3,215,977</u>	<u>3,215,427</u>	<u>550</u>
Total Expenditures	<u>53,981,121</u>	<u>51,219,877</u>	<u>2,761,244</u>
Revenues Over (Under) Expenditures	<u>(4,868,829)</u>	<u>653,083</u>	<u>5,521,912</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Bureau of Justice Asst.			
Community Orient Police	(18,176)	(18,176)	-
Worker's Compensation			
Self Insurance Fund	(277,854)	(277,854)	-
Issuance from installment financing	1,619,502	1,619,502	-
Group Health Benefits	(35,002)	(35,002)	-
MPO Transportation	(73,354)	(73,354)	-
Capital Reserve Fund	(920,540)	(920,540)	-
Capital Reserve Fund	620,000	620,000	-
ARRA Piedmont Way	(5,000)	(5,000)	-
Firestation #6	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>609,576</u>	<u>609,576</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,259,253)	1,262,659	<u>\$ 5,521,912</u>
Fund Balance Appropriated	<u>4,259,253</u>		
	<u>\$</u>		
Fund Balances beginning		<u>33,484,931</u>	
Fund Balances, ending		<u>\$ 34,747,590</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 29,108	\$ 29,108
Total Revenues	-	29,108	29,108
Expenditures:			
Professional Services	-	-	-
Infrastructure	895,540	-	895,540
Total Expenditures	895,540	-	895,540
Revenues Over (Under) Expenditures	\$ (895,540)	29,108	\$ 924,648
Other Financing Sources (Uses):			
Transfer from (to) other funds			
General Fund	(620,000)	(620,000)	-
Drainage Improvement Project	(25,000)	(25,000)	-
General Fund	920,540	920,540	-
Total Other Financing Sources	275,540	275,540	-
Revenues and Other Sources Over (Under) Expenditures	\$ (620,000)	304,648	\$ 924,648
Fund balance, appropriated	620,000		
Net change in fund balance	\$ -		
Fund balance, beginning		16,620,740	
Fund balance, ending		\$ 16,925,388	

CITY OF BURLINGTON
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,543,298	\$ 1,280,743	\$ 2,824,041
Receivables, net:			
Taxes	62,543	-	62,543
Accounts	242,494	-	242,494
Housing rehabilitation loans	2,302,012	-	2,302,012
Home incentive loans	78,909	-	78,909
Total Assets	<u>\$ 4,229,256</u>	<u>\$ 1,280,743</u>	<u>\$ 5,509,999</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 81,895	\$ -	\$ 81,895
Deferred revenue	62,543	-	62,543
Total Liabilities	<u>144,438</u>	<u>-</u>	<u>144,438</u>
Fund balances:			
Restricted:			
Stabilization by State			
Statute	-	-	-
Economic Development	3,355,969	-	3,355,969
Public Safety	497,277	-	497,277
Committed for Capital Development	-	1,280,743	1,280,743
Assigned for Subsequent Expenditures	272,677	-	272,677
Unassigned	(41,105)	-	(41,105)
Total Fund Balances	<u>4,084,818</u>	<u>1,280,743</u>	<u>5,365,561</u>
Total liabilities and fund balances	<u>\$ 4,229,256</u>	<u>\$ 1,280,743</u>	<u>\$ 5,509,999</u>

CITY OF BURLINGTON
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Ad valorem taxes	\$ 152,627	\$ -	\$ 152,627
Unrestricted intergovernmental	139,407	-	139,407
Restricted intergovernmental	1,364,090	-	1,364,090
Sales and services	42,281	-	42,281
Investment earnings	116	85	201
Miscellaneous	26,781	-	26,781
	<hr/>	<hr/>	<hr/>
Total revenues	1,725,302	85	1,725,387
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Public Safety	664,432	-	664,432
Economic and physical development	986,078	-	986,078
Culture and recreation	153,576	-	153,576
Capital Outlay	-	30,111	30,111
	<hr/>	<hr/>	<hr/>
Total expenditures	1,804,086	30,111	1,834,197
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(78,784)	(30,026)	(108,810)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	91,530	330,000	421,530
Transfers to other funds	(18,701)	-	(18,701)
	<hr/>	<hr/>	<hr/>
Total other financing sources	72,829	330,000	402,829
	<hr/>	<hr/>	<hr/>
Revenue and other sources over expenditures and other uses	(5,955)	299,974	294,019
Fund balances:			
Fund balances - beginning	4,090,773	980,769	5,071,542
	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ 4,084,818	\$ 1,280,743	5,365,561
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



SPECIAL REVENUE FUNDS
Combining Schedules
and
Individual Fund Schedules



CITY OF BURLINGTON, NORTH CAROLINA
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For The Fiscal Year Ended June 30, 2014

	Community Development Fund	Rehabili- tation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Specil Tax District Fund	RICO Fund	Edward Byrne Justice Assistance Grant Fund	Guilford Mackintosh Fund	Controlled Substance Tax Fund
<u>ASSETS</u>								
Cash and cash equivalents	\$ 22,758	\$ 214,321	\$ 362,687	\$ -	\$ 416,317	\$ 99,116	\$ -	\$ 75,296
Receivables (net):								
Taxes	-	-	-	62,543	-	-	-	-
Accounts	-	33,213	126,573	7	-	-	23,001	-
Housing Rehabilitation loans	-	1,836,793	465,219	-	-	-	-	-
Home Incentive loans	-	78,909	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 22,758</u>	<u>\$ 2,163,236</u>	<u>\$ 954,479</u>	<u>\$ 62,550</u>	<u>\$ 416,317</u>	<u>\$ 99,116</u>	<u>\$ 23,001</u>	<u>\$ 75,296</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 1,081	\$ 204	\$ -	\$ 7	\$ -	\$ -	\$ 23,001	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	62,543	-	-	-	-
Total Liabilities	<u>1,081</u>	<u>204</u>	<u>-</u>	<u>62,550</u>	<u>-</u>	<u>-</u>	<u>23,001</u>	<u>-</u>
Fund Balances								
Restricted								
Stabilization by State Statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic Development	21,677	2,012,082	926,204	-	-	-	-	-
Public Safety	-	-	-	-	347,115	99,116	-	51,046
Assigned								
Subsequent Years Expenditures	-	150,950	28,275	-	69,202	-	-	24,250
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>21,677</u>	<u>2,163,032</u>	<u>954,479</u>	<u>-</u>	<u>416,317</u>	<u>99,116</u>	<u>-</u>	<u>75,296</u>
Total Liabilities and Fund balances	<u>\$ 22,758</u>	<u>\$ 2,163,236</u>	<u>\$ 954,479</u>	<u>\$ 62,550</u>	<u>\$ 416,317</u>	<u>\$ 99,116</u>	<u>\$ 23,001</u>	<u>\$ 75,296</u>

MPO Planning Transportation Fund	Medicare Part D Grant Project Fund	Bureau of Justice Assistance Community Oriented Policing Grant	Totals
\$ 344,860	\$ 7,943	\$ -	\$ 1,543,298
-	-	-	62,543
59,700	-	-	242,494
-	-	-	2,302,012
-	-	-	78,909
-	-	-	-
<u>\$ 404,560</u>	<u>\$ 7,943</u>	<u>\$ -</u>	<u>\$ 4,229,256</u>

\$ 16,497	\$ -	\$ 41,105	\$ 81,895
-	-	-	-
-	-	-	62,543
<u>16,497</u>	<u>-</u>	<u>41,105</u>	<u>144,438</u>

\$ -	\$ -	\$ -	\$ -
388,063	7,943	-	3,355,969
-	-	-	497,277
-	-	-	-
-	-	-	272,677
-	-	(41,105)	(41,105)
<u>388,063</u>	<u>7,943</u>	<u>(41,105)</u>	<u>4,084,818</u>
<u>\$ 404,560</u>	<u>\$ 7,943</u>	<u>\$ -</u>	<u>\$ 4,229,256</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2014

	Community Development Fund	Rehabilitation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Special Tax District Fund	RICO Fund
Revenues:					
Ad Valorem taxes	\$ -	\$ -	\$ -	\$ 152,627	\$ -
Unrestricted					
intergovernmental	-	-	-	-	-
Restricted intergovernmental	482,444	-	-	-	358,562
Sales and services	-	-	-	-	-
Investment earnings	-	33	-	-	42
Miscellaneous	-	14,440	12,341	-	-
Total Revenues	482,444	14,473	12,341	152,627	358,604
Expenditures:					
Current:					
Public Safety	-	-	-	-	300,196
Cultural and recreation	-	-	-	-	-
Economic and physical development	488,613	85,598	430	152,627	-
Total Expenditures	488,613	85,598	430	152,627	300,196
Revenue Over (Under) Expenditures	(6,169)	(71,125)	11,911	-	58,408
Other Financing Sources (Uses):					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	(18,701)	-	-
Transfer to component unit	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(18,701)	-	-
Net change in fund balances	(6,169)	(71,125)	(6,790)	-	58,408
Fund balance, beginning	27,846	2,234,157	961,269	-	357,909
Fund balance, ending	\$ 21,677	\$ 2,163,032	\$ 954,479	\$ -	\$ 416,317

Edward Byrne Justice Assistance Grant Fund	Guilford Mackintosh Fund	Controlled Substance Tax Fund	MPO Planning Transportation Fund	Medicare Part D Grant Project Fund	Bureau of Justice Assistance Community Oriented Policing Grant	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,627
-	111,295	28,112	-	-	-	139,407
50,874	-	-	214,261	-	257,949	1,364,090
-	42,281	-	-	-	-	42,281
-	-	-	41	-	-	116
-	-	-	-	-	-	26,781
50,874	153,576	28,112	214,302	-	257,949	1,725,302
35,842	-	18,739	-	-	309,655	664,432
-	153,576	-	-	-	-	153,576
-	-	-	256,198	2,612	-	986,078
35,842	153,576	18,739	256,198	2,612	309,655	1,804,086
15,032	-	9,373	(41,896)	(2,612)	(51,706)	(78,784)
-	-	-	73,354	-	18,176	91,530
-	-	-	-	-	-	(18,701)
-	-	-	-	-	-	-
-	-	-	73,354	-	18,176	72,829
15,032	-	9,373	31,458	(2,612)	(33,530)	(5,955)
84,084	-	65,923	356,605	10,555	(7,575)	4,090,773
\$ 99,116	\$ -	\$ 75,296	\$ 388,063	\$ 7,943	\$ (41,105)	\$ 4,084,818

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Revenues	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Federal Grants -					
Program Year:					
2014	\$ 458,906	\$ -	\$ 28,936	\$ 28,936	\$ (429,970)
2013	460,219	6,711	453,508	460,219	-
2012	398,713	398,713	-	398,713	-
2011	477,189	477,189	-	477,189	-
2010	439,247	439,247	-	439,247	-
2009	432,444	432,444	-	432,444	-
2008	447,676	447,676	-	447,676	-
2007	440,794	440,794	-	440,794	-
2006	490,388	490,388	-	490,388	-
2005	518,000	518,000	-	518,000	-
2004	531,000	531,000	-	531,000	-
Federal Recovery					
Grant	-	117,446	-	117,446	117,446
Total Restricted					
Intergovernmental	5,094,576	4,299,608	482,444	4,782,052	(312,524)
Miscellaneous					
Revenues:					
Urban renewal land					
sales and related					
income	-	145,641	-	145,641	145,641
Sale of property:					
2007	-	200	-	200	200
2004	-	200	-	200	200
1997	-	14,083	-	14,083	14,083
Program income -					
1995	-	522	-	522	522
Total Miscellaneous					
Revenues	-	160,646	-	160,646	160,646
Total Revenues	5,094,576	4,460,254	482,444	4,942,698	(151,878)

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2004:					
Public Works					
Facilities, Site					
Improvements:					
Durham Street/					
Morgan Hill Trail	82,084	82,084	-	82,084	-
Glen Raven Project	155,467	155,467	-	155,467	-
Hunt Street Project	3,249	3,249	-	3,249	-
Ross Street					
Subdivision	50,000	50,000	-	50,000	-
FAS Plumbing					
Repairs	4,900	4,900	-	4,900	-
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Fairchild Comfort					
Station	4,800	4,800	-	4,800	-
Construction					
Training					
Program	65,000	65,000	-	65,000	-
Recreation Facilities					
Improvements	3,200	3,200	-	3,200	-
FAS Security System	3,500	3,495	-	3,495	5
Administration	110,000	101,975	-	101,975	8,025
Contingency	36,800	62	-	62	36,738
Total Program					
Year 2004	531,000	486,232	-	486,232	44,768
Program Year 2005:					
Public Works					
Facilities, Site					
Improvements:					
Glen Raven Project	340,000	340,000	-	340,000	-
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Construction					
Training					
Program	65,000	65,000	-	65,000	-
Administration	89,908	86,648	3,260	89,908	-

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year					
2005 (continued):					
Total Program					
Year 2005	<u>506,908</u>	<u>503,648</u>	<u>3,260</u>	<u>506,908</u>	<u>-</u>
Program Year 2006:					
Public Works					
Facilities, Site					
Improvements:					
Glen Raven					
Infrastructure	317,388	317,388	-	317,388	-
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>67,281</u>	<u>66,027</u>	<u>1,254</u>	<u>67,281</u>	<u>-</u>
Total Program					
Year 2006	<u>459,669</u>	<u>458,415</u>	<u>1,254</u>	<u>459,669</u>	<u>-</u>
Program Year 2007:					
Public Works					
Facilities, Site					
Improvements:					
Glen Raven					
Project	47,594	47,594	-	47,594	-
Church Street					
Sidewalk	48,038	48,038	-	48,038	-
Street Improvements					
(Jackson/Peace)	9,241	9,241	-	9,241	-
Storm Sewer					
Replacement	30,469	30,469	-	30,469	-
Provision of					
Public Services:					
Hall Avenue					
Facility Improvements	69,899	69,899	-	69,899	-
North Park					
Library	10,000	10,000	-	10,000	-
North Park					
Pool Upgrades	5,200	5,200	-	5,200	-
Fairchild Comfort					
Station	39,578	39,578	-	39,578	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>49,642</u>	<u>47,986</u>	<u>1,656</u>	<u>49,642</u>	<u>-</u>
Total Program					
Year 2007	<u>374,661</u>	<u>373,005</u>	<u>1,656</u>	<u>374,661</u>	<u>-</u>

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2008:					
Public Works					
Facilities, Site					
Improvements:					
Sidewalk					
Improvements	90,160	90,160	-	90,160	-
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Recreation Facility					
Improvements	82,676	82,676	-	82,676	-
Hall Avenue Facility					
Improvements	97,286	97,286	-	97,286	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	55,484	52,464	1,962	54,426	1,058
Total Program					
Year 2008	402,606	399,586	1,962	401,548	1,058
Program Year 2009:					
Public Works					
Facilities, Site					
Improvements:					
Sidewalk					
Improvements	125,747	125,748	-	125,748	(1)
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Fairchild Park					
Improvements	127,444	127,444	-	127,444	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	98,000	63,857	14,344	78,201	19,798
Total Program					
Year 2009	428,191	394,049	14,344	408,393	19,798

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2010:					
Public Works					
Facilities, Site					
Improvements:					
Maple Avenue					
Sidewalk	112,699	112,699	-	112,699	-
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Residential					
Treatment					
Services					
Mebane					
Street Facility					
Repairs	9,175	9,175	-	9,175	-
North Park					
Improvements	100,000	100,000	-	100,000	-
Family Abuse					
Services					
Transitional					
Housing					
Upgrade	3,500	3,500	-	3,500	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	98,000	56,433	2,205	58,638	39,362
Total Program					
Year 2010	398,374	356,807	2,205	359,012	39,362

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2011:					
Public Works					
Facilities, Site					
Improvements:					
Water & Sewer					
Lines-Hunt St.	45,437	45,437	-	45,437	-
Queen Anne St.					
Sewer Line Upgrade	150,039	-	-	-	150,039
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Fairchild Park					
Upgrade	230,474	230,474	-	230,474	-
FAS Transitional					
Housing Upgrade	4,566	4,566	-	4,566	-
North Park					
Improvements	11,081	11,081	-	11,081	-
Picnic Site					
Improvements	12,343	12,343	-	12,343	-
Playground					
Equipment					
Upgrades	30,000	30,000	-	30,000	-
Relocation	10,171	9,899	271	10,170	1
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	98,000	57,654	(3,314)	54,340	43,660
Total Program					
Year 2011	667,111	476,454	(3,043)	473,411	193,700

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	<u>Total Authorized Costs</u>	<u>Reported In Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2012:					
Public Works					
Facilities, Site					
Improvements:					
Gilliam Road					
Water Line Project	58,508	58,508	-	58,508	-
Queen Anne St.					
Sewer Line Upgrade	-	128,847	-	128,847	(128,847)
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Fairchild Park					
Energy					
Improvements	40,700	40,700	-	40,700	-
Fairchild Generator					
Project	63,090	-	63,090	63,090	-
North Park					
Lighting Upgrade	21,130	21,130	-	21,130	-
Family Abuse					
Service Upgrade	7,776	7,776	-	7,776	-
Allied Churches					
Facility Upgrades	98,289	98,289	-	98,289	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	40,808	64,770	(8,645)	56,125	(15,317)
Total Program					
Year 2012	405,301	495,020	54,445	549,465	(144,164)

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Program Year 2013:					
Public Works					
Facilities, Site					
Improvements:					
Ireland St. Sidewalk					
Project	128,067	114,835	-	114,835	13,232
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Relocation	2,830	-	2,830	2,830	-
RTS Hall Avenue					
Upgrade	1,250	1,250	-	1,250	-
Fairchild Park					
Youth Program	51,430	51,430	-	51,430	-
Fairchild Soccer					
Park Paving	56,055	56,055	-	56,055	-
Fairchild Generator					
Project	17,874	-	17,839	17,839	35
FAS Emergency					
Shelter	3,305	3,305	-	3,305	-
Eva Barker Park	41,000	41,000	-	41,000	-
North Park HVAC					
Upgrade	9,650	9,650	-	9,650	-
RTS Mebane St					
Upgrade	8,990	8,990	-	8,990	-
Forest Hills					
Upgrade	4,398	4,398	-	4,398	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	62,000	-	51,519	51,519	10,481
Total Program					
Year 2013	461,849	365,913	72,188	438,101	23,748

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Program Year 2014:					
Public Works					
Facilities, Site					
Improvements:					
Mebane St. Sidewalk					
Project	191,698	-	140,322	140,322	51,376
Mebane St. Crosswalk					
Project	33,300	-	33,300	33,300	-
Provision of					
Public Services:					
North Park					
Library	26,237	-	26,237	26,237	-
RTS Hall Avenue					
Upgrade	14,350	-	13,040	13,040	1,310
Fairchild Park					
Upgrade	10,000	-	9,399	9,399	601
Allied Churches					
Upgrade	56,321	-	51,821	51,821	4,500
Construction					
Training Program	65,000	-	65,000	65,000	-
Administration	62,000	-	1,223	1,223	60,777
Total Program					
Year 2014	458,906	-	340,342	340,342	118,564
Total Expenditures	5,094,576	4,309,129	488,613	4,797,742	296,834
Revenues Over (Under)					
Expenditures	-	151,125	(6,169)	144,956	144,956

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Mebane St./					
St. John Culvert	-	(117,446)	-	(117,446)	(117,446)
Rehabilitation	199,600	-	-	-	(199,600)
Loan Program					
Fund:					
Program Year:					
1996	-	-	-	-	-
Total Other Financing (Uses)	199,600	(117,446)	-	(117,446)	(317,046)
Revenues and Other					
Sources Over (Under) Expenditures					
And Other Uses	\$ 199,600	\$ 33,679	(6,169)	\$ 27,510	\$ (172,090)
Fund balance, appropriated	(199,600)				
Net change in fund balance	\$ -				
Fund balance, beginning			27,846		
Fund balance, ending			\$ 21,677		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ _____	\$ _____ 33	\$ _____
Miscellaneous:			
Interest on loans	_____	_____ 14,440	_____
Total Revenues	_____ 16,000	_____ 14,473	_____ (1,527)
Expenditures:			
Economic and Physical Development:			
Operating expenditures		109,140	
Provision for bad debts	_____	_____ (23,542)	_____
Total Expenditures	_____ 166,950	_____ 85,598	_____ 81,352
Revenues Over (Under) Expenditures	(150,950)	(71,125)	\$ _____ 79,825
Fund balance, appropriated	_____ 150,950		
Net change in fund balance	\$ _____ -		
Fund balance, beginning		_____ 2,234,157	
Fund balance, ending		\$ _____ 2,163,032	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – RENTAL REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$	\$ -	\$
Miscellaneous:			
Miscellaneous Income		12,291	
Interest on loans		<u>50</u>	
Total Revenues	<u>2,000</u>	<u>12,341</u>	<u>10,341</u>
Expenditures:			
Economic and Physical			
Development:			
Provision for bad debts		<u>430</u>	
Total Expenditures	<u>10,000</u>	<u>430</u>	<u>9,570</u>
Revenues Over (Under)			
Expenditures	<u>(8,000)</u>	<u>11,911</u>	<u>19,911</u>
Other Financing Sources (Uses):			
Transfers to other fund:			
Home Program Project	<u>(17,175)</u>	<u>(18,701)</u>	<u>(1,526)</u>
Total Other Financing Sources (Uses)	<u>(17,175)</u>	<u>(18,701)</u>	<u>(,1526)</u>
Revenues (Under) Expenditures			
and Other Uses	(25,175)	(6,790)	<u>\$ 18,385</u>
Fund balance, appropriated	<u>25,175</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>961,269</u>	
Fund balance, ending		<u>\$ 954,479</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – DOWNTOWN SPECIAL TAX DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 155,166	\$
Tax discounts		(2,539)	
Total	<u>136,210</u>	<u>152,627</u>	<u>16,417</u>
Sales and Services:			
Parade Holiday Events		-	
Farmers market		-	
Promotional sales		-	
Total	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total Revenues	<u>211,210</u>	<u>152,627</u>	<u>(58,583)</u>
Expenditures:			
Economic and Physical Development:			
Salaries and employee benefits		-	
Operating expenditures		152,627	
Equipment		-	
Total Expenditures	<u>231,210</u>	<u>152,627</u>	<u>78,583</u>
Revenues Over (Under) Expenditures	(20,000)	-	<u>\$ 20,000</u>
Other Financing Sources (Uses):			
Transfers to other fund:			
Energy Efficiency Upgrade Main Street 2	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues (Under) Expenditures and Other Uses	(20,000)	-	<u>\$ 20,000</u>
Fund balance, appropriated	<u>20,000</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - HOME PROGRAM PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

			Actual		
	Total Authorized Costs	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
Federal Grant	\$ 4,469,725	\$ 3,666,246	\$ 122,025	\$ 3,788,271	\$ (681,454)
Federal Grant - County	1,907,032	1,485,752	34,254	1,520,006	(387,026)
State Grant	-	2,667	-	2,667	2,667
Local Funds	<u>36,465</u>	<u>6,481</u>	<u>-</u>	<u>6,481</u>	<u>(29,984)</u>
Total	6,413,222	5,161,146	156,279	5,317,425	(1,095,797)
Miscellaneous:					
Program Income	583,698	449,265	76,048	525,313	(58,385)
Miscellaneous Income	<u>-</u>	<u>-</u>	<u>25</u>	<u>25</u>	<u>25</u>
Total Revenues	<u>6,996,920</u>	<u>5,610,411</u>	<u>232,352</u>	<u>5,842,763</u>	<u>(1,154,157)</u>
Expenditures:					
Economic and Physical					
Development:					
Administrative	430,826	346,283	19,334	365,617	65,209
Homebuyer					
assistance	166,167	51,353	-	51,353	114,814
CHDO project					
assistance	917,162	729,469	-	729,469	187,693
Rehabilitation –					
owner	5,767,161	1,379,240	372,559	1,751,799	4,015,362
Rehabilitation					
rental	313,250	115,442	-	115,442	197,808
Lead based					
paint reduction	37,500	37,500	-	37,500	-
Relocation	64,781	64,781	-	64,781	-
CTP Housing Activities	715,000	198,552	65,000	263,552	451,448
Provision for					
bad debts	<u>-</u>	<u>265,948</u>	<u>31,955</u>	<u>297,903</u>	<u>(297,903)</u>
Total Expenditures	<u>8,411,847</u>	<u>3,188,568</u>	<u>488,848</u>	<u>3,677,416</u>	<u>4,734,431</u>

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - HOME PROGRAM PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues Over (Under) Expenditures	<u>(1,414,927)</u>	<u>2,421,843</u>	<u>(256,496)</u>	<u>2,165,347</u>	<u>3,580,274</u>
Other Financing Sources:					
Transfers from other funds:					
HOME Investment Partnership Project Fund	-	450,726	-	450,726	450,726
Rental Rehabilitation Loan Program	695,739	711,022	18,701	729,723	33,984
Rehabilitation Loan Program Fund	-	232,688	-	232,688	232,688
Single Family Housing Project Fund	-	143,664	-	143,664	143,664
Total Other Financing Sources	<u>695,739</u>	<u>1,538,100</u>	<u>18,701</u>	<u>1,556,801</u>	<u>861,062</u>
Revenues and Other Sources Over (Under) Expenditures	(719,188)	<u>\$ 3,959,943</u>	(237,795)	<u>\$ 3,722,148</u>	<u>\$ 4,441,336</u>
Fund balance, beginning	<u>719,188</u>		<u>3,959,943</u>		
	<u>\$ -</u>				
Fund balance, ending			<u>\$ 3,722,148</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – RICO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
Rico funds	\$	\$ 358,562	\$
Dept. of Treasury		-	
Investment earnings		42	
Total Revenues	-	358,604	358,604
Expenditures:			
Public Safety:			
Rico funds		300,196	
Total Expenditures	439,523	300,196	139,327
Revenues Over (Under) Expenditures	(439,523)	58,408	497,931
			\$ 497,931
Fund balance, appropriated	439,523		
Net change in fund balance	\$ -		
Fund balance, beginning		357,909	
Fund balance, ending		\$ 416,317	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - GUILFORD MACKINTOSH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental:			
Guilford County Reimbursement	\$ _____	\$ 111,295	\$ _____
Total	<u>149,961</u>	<u>111,295</u>	<u>(38,666)</u>
Sales and Service:			
Boat rentals		22,573	
Fishing fees		5,412	
Boat launch fees		5,238	
Concession sales		2,645	
Shelter rentals		3,413	
House rentals		3,000	
Total	<u>28,000</u>	<u>42,281</u>	<u>14,281</u>
Total Revenues	<u>177,961</u>	<u>153,576</u>	<u>(24,385)</u>
Expenditures:			
Cultural and Recreation:			
Salaries and employee benefits		123,667	
Operating expenditures		29,909	
Total Expenditures	<u>177,961</u>	<u>153,576</u>	<u>24,385</u>
Revenues Over (Under) Expenditures	<u>\$ _____ -</u>	-	<u>\$ _____ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ _____ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - CONTROLLED SUBSTANCE TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental:			
Controlled substance funds	\$ _____	\$ 28,112	\$ _____
Total Revenues	_____	28,112	28,112
Expenditures:			
Public Safety:			
Salaries and Employee			
Benefits		18,739	
Operating expenditures	_____	-	_____
Total Expenditures	24,250	18,739	5,511
Revenues Over (Under)			
Expenditures	\$ (24,250)	9,373	\$ 33,623
Fund balance, appropriated	24,250		
Net change in fund balance	\$ _____ -		
Fund balance, beginning		65,923	
Fund balance, ending		\$ 75,296	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - MPO PLANNING TRANSPORTATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
State Grant	\$	\$ 214,261	\$
Interest	<u> </u>	<u> 41</u>	<u> </u>
Total Revenues	<u>305,917</u>	<u>214,302</u>	<u>(91,615)</u>
Expenditures:			
Economic and Physical Development:			
Operating expenditures		228,550	
Special projects	<u> </u>	<u>27,648</u>	<u> </u>
Total Expenditures	<u>379,271</u>	<u>256,198</u>	<u>123,073</u>
Revenues Over (Under) Expenditures	<u>(73,354)</u>	<u>(41,896)</u>	<u>31,458</u>
Other Financing Sources:			
Transfers from other funds:			
General Fund	<u>73,354</u>	<u>73,354</u>	<u>-</u>
Total Other Financing Sources	<u>73,354</u>	<u>73,354</u>	<u>-</u>
Revenues and Other Sources (Under) Expenditures	-	31,458	<u>\$ 31,458</u>
Fund balance, appropriated	<u>-</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>356,605</u>	
Fund balance, ending		<u>\$ 388,063</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – MEDICARE PART D GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception And For The Fiscal Year Ended June 30, 2014

			<u>Actual</u>		
	<u>Project Authorization</u>	<u>Reported In Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
State Grant	\$ 48,100	\$ 48,100	\$ -	\$ 48,100	\$ -
Total Revenues	48,100	48,100	-	48,100	-
Expenditures:					
Operating expenditures	52,430	37,545	2,612	40,157	12,273
Total Expenditures	52,430	37,545	2,612	40,157	12,273
Revenues Over Expenditures	\$ (4,330)	\$ 10,555	(2,612)	\$ 7,943	\$ (12,273)
Fund balance, appropriated	4,330				
Net change in fund balance	\$ -				
Fund balance, beginning			10,555		
Fund Balance, ending			\$ 7,943		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – EDWARD BRYNE JUSTICE ASSISTANCE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception And For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 828,434	\$ 728,812	\$ 50,874	\$ 779,686	\$ (48,748)
Total Revenues	828,434	728,812	50,874	779,686	(48,748)
Expenditures:					
Public Safety:					
Equipment	542,233	453,421	35,799	489,220	53,013
Operating expenditures	345,158	250,264	43	250,307	94,851
Total Expenditures	887,391	703,685	35,842	739,527	147,864
Revenues Over (Under) Expenditures	(58,957)	25,127	15,032	40,159	99,116
Other Financing Sources:					
Transfers from other funds:					
Rico Fund	58,957	58,957	-	58,957	-
Total Other Financing Sources	58,957	58,957	-	58,957	-
Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ 84,084	15,032	\$ 99,116	\$ 99,116
Fund balance, beginning			84,084		
Fund balance, ending			\$ 99,116		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – BUREAU OF JUSTICE ASST COMM ORIENT POLICING GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception And For The Fiscal Year Ended June 30, 2014

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 743,094	\$ 465,960	\$ 257,949	\$ 723,909	\$ (19,185)
Total Revenues	743,094	465,960	257,949	723,909	(19,185)
Expenditures:					
Public Safety:					
Salaries and					
Employee Benefits	855,480	567,745	309,655	877,400	(21,920)
Total Expenditures	855,480	567,745	309,655	877,400	(21,920)
Revenues Over Expenditures	\$ (112,386)	\$ (101,785)	\$ (51,706)	\$ (153,491)	\$ (41,105)
Other Financing Sources:					
Transfers from other funds:					
General Fund	112,386	94,210	18,176	112,386	-
Total Other Financing Sources	112,386	94,210	18,176	112,386	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ (7,575)	(33,530)	\$ (41,105)	\$ (41,105)
Fund balance, beginning			(7,575)		
Fund balance, ending			\$ (41,105)		





CAPITAL PROJECT FUNDS
Combining Schedules
and
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 For The Fiscal Year Ended June 30, 2014

	Drainage Improvement Project Fund	ERP System Project Fund	ARRA Piedmont Way Widening and Sidewalk	Fire Station No. 6	Totals
<u>ASSETS</u>					
Cash and cash equivalents	\$ 393,597	\$ 609,122	\$ 5,000	\$ 273,024	\$ 1,280,743
Receivables:					
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 393,597</u>	<u>\$ 609,122</u>	<u>\$ 5,000</u>	<u>\$ 273,024</u>	<u>\$ 1,280,743</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue					
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Committed for Capital Improvements	393,597	609,122	5,000	273,024	1,280,743
Unassigned	-	-	-	-	-
Total Fund Balances	<u>393,597</u>	<u>609,122</u>	<u>5,000</u>	<u>273,024</u>	<u>1,280,743</u>
Total Liabilities and Fund Balances	<u><u>\$ 393,597</u></u>	<u><u>\$ 609,122</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 273,024</u></u>	<u><u>\$ 1,280,743</u></u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For The Fiscal Year Ended June 30, 2014

	Drainage Improvement Project Fund	ERP System Project Fund	ARRA Piedmont Way Widening and Sidewalk	Fire Station No. 6	Totals
Revenues:					
Restricted Intergovernmental:	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grant	-	-	-	-	-
Investment Earnings	25	60	-	-	85
Total Revenues	25	60	-	-	85
Expenditures:					
Capital Improvements	-	3,135	-	26,976	30,111
Total Expenditures	-	3,135	-	26,976	30,111
Revenues Over (Under) Expenditures	25	(3,075)	-	(26,976)	(30,026)
Other Financing Sources:					
Transfers from other funds	25,000	-	5,000	300,000	330,000
Transfers (to) other funds	-	-	-	-	-
Total Other Financing Sources	25,000	-	5,000	300,000	330,000
Net change in fund balance	25,025	(3,075)	5,000	273,024	299,974
Fund balance, beginning	368,572	612,197	-	-	980,769
Fund balance, ending	<u>\$ 393,597</u>	<u>\$ 609,122</u>	<u>\$ 5,000</u>	<u>\$ 273,024</u>	<u>\$ 1,280,743</u>

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND - DRAINAGE IMPROVEMENT PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 25	\$ 25
Total Revenues	-	25	25
Expenditures:			
Supplies	\$ -	\$ -	\$ -
Construction	-	-	-
Total Expenditures	25,000	-	25,000
Revenues (Under) Expenditures	\$ (25,000)	25	\$ 25,025
Other Financing Sources:			
Transfer from other fund: Capital Reserve	25,000	25,000	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	25,025	25,025
Fund balance, beginning		368,572	
Fund balance, ending		\$ 393,597	

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – ERP SYSTEM PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2014

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total To Date	Positive Negative
Revenues:					
Investment earnings	\$ -	\$ 4,133	\$ 60	\$ 4,193	\$ 4,193
Total Revenues	-	4,133	60	4,193	4,193
Expenditures:					
Professional Services	\$ 50,000	\$ 152,875	\$ -	\$ 152,875	\$ (102,875)
Travel – Consultants	-	18,522	-	18,522	(18,522)
Software	1,944,250	900,862	3,135	903,997	1,040,253
Misc–Contractor Fees-1yr	-	-	-	-	-
Equipment - Hardware	107,000	382,362	-	382,362	(275,362)
Other Equipment	201,500	155,540	-	155,540	45,960
Supplies	-	36,025	-	36,025	(36,025)
Total Expenditures	2,302,750	1,646,186	3,135	1,649,321	653,429
Revenues Over (Under) Expenditures	(2,302,750)	(1,642,053)	(3,075)	(1,645,128)	657,622
Other Financing Sources:					
Transfers from other funds:					
Capital Reserve	612,650	612,650	-	612,650	-
Water & Sewer	398,100	398,100	-	398,100	-
General Fund	1,243,500	1,243,500	-	1,243,500	-
Total Other Financing Sources	2,254,250	2,254,250	-	2,254,250	-
Revenues and Other Sources Over (Under) Expenditures	\$ (48,500)	\$ 612,197	(3,075)	\$ 609,122	\$ 657,622
Fund balance, appropriated	48,500				
Net change in fund balance	\$ -				
Fund balance, beginning			612,197		
Fund balance, ending			\$ 609,122		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – ARRA PIEDMONT WAY WIDENING AND SIDEWALK
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted Intergovernmental:					
Federal Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures:					
Capital Improvements	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Total Expenditures	5,000	-	-	-	5,000
Revenues Over (Under) Expenditures	(5,000)	-	-	-	(5,000)
Other Financing Sources:					
Transfers from other funds: General Fund	5,000	-	5,000	5,000	-
Total Other Financing Sources	5,000	-	5,000	5,000	-
Revenues and Other Sources Over Expenditures	\$ -	\$ -	5,000	\$ 5,000	\$ (5,000)
Fund balance, appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			-		
Fund balance, ending			\$ 5,000		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – FIRE STATION NO. 6
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2014

		<u>Actual</u>			Variance
	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>To Date</u>	<u>Positive</u> <u>(Negative)</u>
Revenues:					
Investment Earnings	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total Revenues	_____ -	_____ -	_____ -	_____ -	_____ -
Expenditures:					
Professional Services	\$ 272,980	\$ -	\$ -	\$ -	\$ 272,980
Buildings	-	-	26,976	26,976	(26,976)
Contingency	<u>27,020</u>	_____ -	_____ -	_____ -	<u>27,020</u>
Total Expenditures	<u>300,000</u>	_____ -	<u>26,976</u>	<u>26,976</u>	<u>273,024</u>
Revenues Over (Under)					
Expenditures	<u>(300,000)</u>	_____ -	<u>(26,976)</u>	<u>(26,976)</u>	<u>273,024</u>
Other Financing Sources:					
Transfers from other					
funds: General Fund	<u>300,000</u>	_____ -	<u>300,000</u>	<u>300,000</u>	_____ -
Total Other Financing					
Sources	<u>300,000</u>	_____ -	<u>300,000</u>	<u>300,000</u>	_____ -
Revenues and Other Sources					
Over Expenditures	<u>\$ _____ -</u>	<u>\$ _____ -</u>	273,024	<u>\$ 273,024</u>	<u>\$ 273,024</u>
Fund balance, appropriated	_____ -				
Net change in fund balance	\$ _____ -				
Fund balance, beginning			_____ -		
Fund balance, ending			<u>\$ 273,024</u>		





ENTERPRISE FUND
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 STORM WATER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Stormwater Fees	\$	\$ 569,646	\$
Permit Fees	<u>-</u>	<u>3,030</u>	<u></u>
Total Operating Revenues	<u>\$ 450,000</u>	<u>\$ 572,676</u>	<u>\$ 122,676</u>
Nonoperating Revenues:			
Other fees and charges	<u></u>	<u>752</u>	<u></u>
Total Nonoperating Revenues	<u>-</u>	<u>752</u>	<u>752</u>
Total Revenues	<u>450,000</u>	<u>573,428</u>	<u>123,428</u>
Expenditures:			
Salaries and			
Employee Benefits		236,322	
Operating Expenditures		55,494	
Capital Improvements		27,677	
Engineering/professional fees		49,485	
Equipment	<u></u>	<u>28,932</u>	<u></u>
Total Expenditures	<u>489,862</u>	<u>397,910</u>	<u>91,952</u>
Revenues Over (Under) Expenditures	<u>(39,862)</u>	<u>\$ 175,518</u>	<u>\$ 215,380</u>
Fund Equity Appropriated	<u>39,862</u>		
	<u>\$ -</u>		
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues Over			
Expenditures		\$ 175,518	
Reconciling items:			
Depreciation		(30,125)	
Capital Outlay		56,609	
Decrease in Vacation Payable		5,610	
Loss on Disposal of Fixed Asset		<u>(11,831)</u>	
Net Income		<u>\$ 195,781</u>	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water sales		9,096,571	
Sewer charges		11,760,283	
Water taps		137,085	
Sewer taps		71,410	
Total Operating Revenues	<u>21,313,321</u>	<u>21,065,349</u>	<u>(247,972)</u>
Nonoperating Revenues:			
Interest on investments		127,658	
Interest on assessments		-	
Miscellaneous		837,199	
Water and sewer assessments		-	
Water line assessments		12,550	
Sewer line assessments		12,100	
Water connection fees		4,600	
Sewer connection fees		-	
Other fees and charges		4,516,292	
Total Nonoperating Revenues	<u>5,040,320</u>	<u>5,510,399</u>	<u>470,079</u>
Total Revenues	<u>26,353,641</u>	<u>26,575,748</u>	<u>222,107</u>
Expenditures:			
Building and Administrative - Water:			
Salaries and employee benefits		292,624	
Operating expenditures		418,676	
Reimbursement to General Fund		1,802,899	
Total	<u>2,718,205</u>	<u>2,514,199</u>	<u>204,006</u>
Customer Services:			
Salaries and employee benefits		665,527	
Maintenance		199,670	
Other operating expenditures		517,100	
Total	<u>1,435,498</u>	<u>1,382,297</u>	<u>53,201</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures: (continued)			
Supervision:			
Salaries and employee benefits		277,609	
Maintenance		3,453	
Other operating expenditures		62,967	
Total	<u>377,513</u>	<u>344,029</u>	<u>33,484</u>
Water Line - Maintenance and Repairs:			
Salaries and employee benefits		322,085	
Maintenance		200,334	
Other operating expenditures		53,304	
Total	<u>628,195</u>	<u>575,723</u>	<u>52,472</u>
Sewer Line - Maintenance and Repairs:			
Salaries and employee benefits		272,416	
Maintenance		54,543	
Other operating expenditures		70,504	
Total	<u>527,917</u>	<u>397,463</u>	<u>130,454</u>
Water Line Service and Construction:			
Salaries and employee benefits		138,334	
Other operating expenditures		113,198	
Maintenance		96,391	
Materials - taps		86,057	
Materials – lines		32,773	
Total	<u>633,454</u>	<u>466,753</u>	<u>166,701</u>
Sewer Line Service and Construction:			
Salaries and employee benefits		80,640	
Other operating expenditures		137,118	
Materials - taps		16,906	
Materials - lines		43,802	
Total	<u>379,971</u>	<u>278,466</u>	<u>101,505</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Supervision:			
Salaries and employee benefits		510,895	
Maintenance		9,793	
Other operating expenditures		71,375	
Total	<u>608,580</u>	<u>592,063</u>	<u>16,517</u>
Water Sources - Protection:			
Utilities		96,584	
Maintenance		49,154	
Other operating expenditures		1,245	
Total	<u>160,600</u>	<u>146,983</u>	<u>13,617</u>
Ed Thomas Water Plant:			
Salaries and employee benefits		424,579	
Chemicals		429,967	
Utilities		191,118	
Maintenance		87,827	
Other operating expenditures		44,175	
Total	<u>1,264,425</u>	<u>1,177,666</u>	<u>86,759</u>
Lake Mackintosh Water Plant:			
Salaries and employee benefits		515,382	
Chemicals		488,193	
Utilities		251,221	
Maintenance		252,884	
Other operating expenditures		38,181	
Total	<u>1,650,127</u>	<u>1,545,861</u>	<u>104,266</u>
South Burlington Waste Treatment Plant:			
Salaries and employee benefits		572,515	
Chemicals		107,080	
Utilities		498,687	
Maintenance		540,261	
Other operating expenditures		42,047	
Total	<u>2,009,014</u>	<u>1,760,590</u>	<u>248,424</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
East Burlington Waste			
Treatment Plant:			
Salaries and employee			
benefits		694,250	
Chemicals		125,415	
Utilities		450,015	
Maintenance		804,584	
Other operating expenditures		79,268	
Sludge disposal		77,017	
Total	<u>2,349,414</u>	<u>2,230,549</u>	<u>118,865</u>
Laboratories:			
Salaries and employee			
benefits		375,190	
Maintenance		30,380	
Other operating expenditures		127,347	
Total	<u>550,089</u>	<u>532,917</u>	<u>17,172</u>
Plants Maintenance:			
Salaries and employee			
benefits		574,717	
Maintenance		70,780	
Other operating expenditures		190,060	
Total	<u>913,019</u>	<u>835,557</u>	<u>77,462</u>
Lakes and Marinas:			
Salaries and related			
benefits		277,007	
Utilities		27,584	
Maintenance		10,929	
Other operating expenditures		46,709	
Total	<u>389,551</u>	<u>362,229</u>	<u>27,322</u>
Debt Service:			
Principal water bonds	743,251	743,251	
Interest - water bonds	625,730	625,717	
Principal - sewer bonds	1,981,750	1,981,749	
Interest - sewer bonds	1,514,657	1,514,640	
Total	<u>4,865,388</u>	<u>4,865,357</u>	<u>31</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Capital Outlay:			
Water lines	516,147	474,406	
Miscellaneous water	460,785	351,195	
Sewer lines	1,990,613	725,934	
Miscellaneous sewer	283,637	182,638	
Miscellaneous water & sewer	<u>343,000</u>	<u>264,190</u>	
Total Capital Outlay	<u>3,594,182</u>	<u>1,998,363</u>	<u>1,595,819</u>
Total Expenditures	<u>25,055,142</u>	<u>22,007,065</u>	<u>3,048,077</u>
Revenues Over (Under) Expenditures	<u>1,298,499</u>	<u>4,568,683</u>	<u>3,270,184</u>
Other Financing Sources (Uses):			
Transfers to other funds:			
Group Health Insurance Fund	70,000	70,000	-
Workmen's Compensation Self Insurance Fund	118,570	118,570	-
Water Capital Reserve	1,017,024	1,017,024	-
Sewer Capital Reserve	<u>1,017,023</u>	<u>1,017,023</u>	-
Total Other Financing Sources (Uses)	<u>2,222,617</u>	<u>2,222,617</u>	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(924,118)	<u>\$ 2,346,066</u>	<u>\$ 3,270,184</u>
Fund Equity Appropriated	<u>924,118</u>		
	<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

Reconciliation From Budgetary Basis (Modified Accrual)
to Full Accrual:

Revenues and other sources over expenditures and other uses	\$ 2,346,066
Reconciling Items:	
Bond principal payments	2,725,000
Amortization of gain on defeasance	45,251
Amortization of bond issuance costs	(34,177)
Amortization of bond premium	42,061
Capital outlay	1,998,363
Operating transfers (in) out	2,034,047
Increase in inventories	137,987
Decrease in accrued interest payable	127,400
Decrease in accrued vacation pay	4,253
Increase in accrued OPEB liability	(202,646)
Capital project cost sharing and other reimbursements	1,165,071
Depreciation	<u>(4,983,755)</u>
Net Income	<u>\$ 5,404,921</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - WATER CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ _____	\$ 43,530	\$ 43,530
Total Revenues	_____	43,530	43,530
Expenditures:			
Capital Outlay	771,524	-	771,524
Total Expenditures	771,524	-	771,524
Revenues Over (Under) Expenditures	(771,524)	43,530	815,054
Other Financing Sources (Uses):			
Transfers from other funds:			
Water and Sewer Fund	771,524	1,017,024	245,500
Total Other Financing Sources (Uses)	771,524	1,017,024	245,500
Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	1,060,554	\$ 1,060,554
Fund balance, appropriated	-		
Net change in fund balance	\$ _____		
Fund Balance, beginning		9,214,669	
Fund Balance, ending		\$ 10,275,223	

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - SEWER CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 43,274	\$ 43,274
Total Revenues	-	43,274	43,274
Expenditures:			
Capital Outlay	771,523	-	771,523
Total Expenditures	771,523	-	771,523
Revenues Over (Under) Expenditures	(771,523)	43,274	814,797
Other Financing Sources (Uses):			
Transfers from other funds:			
Water and Sewer Fund	771,523	1,017,023	245,500
Transfers to other funds:			
Jordan Lake Rules Project Fund	(482,000)	(482,000)	-
Golden Leaf Project Fund	(54,000)	(54,000)	-
Total Other Financing Sources (Uses)	235,523	481,023	245,500
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(536,000)	524,297	\$ 1,060,297
Fund balance appropriated	536,000		
Net change in fund balance	\$ -		
Fund Balance, beginning		7,837,575	
Fund Balance, ending		\$ 8,361,872	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - TANK REMOVAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2014

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted					
Intergovernmental:					
UST					
reimbursement	\$ 335,000	\$ 502,754	\$ -	\$ 502,754	\$ 167,754
Miscellaneous					
Investment earnings	-	2,747	20	2,767	2,767
Sales tax refunds	-	520	-	520	520
Total Revenues	<u>335,000</u>	<u>506,021</u>	<u>20</u>	<u>506,041</u>	<u>171,041</u>
Expenditures:					
Tank Removal	835,000	866,696	-	866,696	(31,696)
Utilities	-	9,521	-	9,521	(9,521)
Remediation	<u>120,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,600</u>
Total Expenditures	<u>955,600</u>	<u>876,217</u>	<u>-</u>	<u>876,217</u>	<u>79,383</u>
Revenues Over (Under)					
Expenditures	<u>(620,600)</u>	<u>(370,196)</u>	<u>20</u>	<u>(370,176)</u>	<u>250,424</u>
Other Financing Sources:					
Transfers from					
other funds:					
Water Capital					
Reserve Fund	500,000	500,000	-	500,000	-
Capital Reserve					
Fund	<u>120,600</u>	<u>120,600</u>	<u>-</u>	<u>120,600</u>	<u>-</u>
Total Other Financing					
Sources	<u>620,600</u>	<u>620,600</u>	<u>-</u>	<u>620,600</u>	<u>-</u>
Revenues and Other					
Sources Over (Under)					
Expenditures	<u>\$ -</u>	<u>\$ 250,404</u>	<u>\$ 20</u>	<u>\$ 250,424</u>	<u>\$ 250,424</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – STONEY CREEK AND LAKE CAMMACK DAMS PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2014

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total To Date	Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ 92,239	\$ -	\$ 92,239	\$ 92,239
Total Revenues	-	92,239	-	92,239	92,239
Expenditures:					
Professional Services - Stoney Creek	1,049,000	769,223	-	769,223	279,777
Professional Services - Lake Cammack	695,000	626,799	-	626,799	68,201
Construction-Lake Cammack	1,161,408	1,122,137	-	1,122,137	39,271
Issuance Costs- Lake Cammack	40,336	30,217	-	30,217	10,119
Contingency-Lake Cammack	92,820	-	-	-	92,820
Construction-Stoney Creek	3,202,614	3,156,673	-	3,156,673	45,941
Issuance Costs- Stoney Creek	92,377	13,194	-	13,194	79,183
Contingency-Stoney Creek	212,582	-	-	-	212,582
Total Expenditures	6,546,137	5,718,243	-	5,718,243	827,894
Revenues Over (Under) Expenditures	(6,546,137)	(5,626,004)	-	(5,626,004)	920,133
Other Financing Sources:					
Bond proceeds	6,546,137	6,577,249	-	6,577,249	31,112
Transfers from other funds:					
Water and Sewer Fund	419,000	419,000	-	419,000	-
Water Capital Reserve Fund	419,000	419,000	-	419,000	-
Transfers to other funds:					
Water and Sewer Fund	(419,000)	(625,396)	-	(625,396)	(206,396)
Water Capital Reserve Fund	(419,000)	(419,000)	-	(419,000)	-
Total Other Financing Sources (Uses)	6,546,137	6,370,853	-	6,370,853	(175,284)
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ 744,849	\$ -	\$ 744,849	\$ 744,849

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – MEBANE ST./GRAND OAKS WATER LINE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2014

		<u>Actual</u>			<u>Variance</u>
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total</u>	<u>Positive</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>To Date</u>	<u>(Negative)</u>
Revenues:					
Interest	\$ -	\$ 13,820	\$ 64	\$ 13,884	\$ 13,884
Total Revenues	-	13,820	64	13,884	13,884
Expenditures:					
Construction	1,507,425	988,035	-	988,035	519,390
Total Expenditures	1,507,425	988,035	-	988,035	519,390
Revenues Over (Under)					
Expenditures	(1,507,425)	(974,215)	64	(974,151)	533,274
Other Financing Sources:					
Transfers from other funds:					
Water and Sewer Fund	1,257,425	1,257,425	-	1,257,425	-
Storm Water Fund	250,000	250,000	-	250,000	-
Total Other Financing Sources	1,507,425	1,507,425	-	1,507,425	-
Revenues and Other Sources Over (Under)					
Expenditures	\$ -	\$ 532,210	\$ 64	\$ 533,274	\$ 533,274

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – JORDAN LAKE RULES PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2014

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total To Date	Positive (Negative)
Revenues:					
Investment Earnings	\$ -	\$ 33,876	\$ -	\$ 33,876	\$ 33,876
Total Revenues	-	33,876	-	33,876	33,876
Expenditures:					
Engineering fees	\$ 1,579,000	1,614,063	-	1,614,063	(35,063)
Construction costs	5,708,000	5,259,183	275,769	5,534,952	173,048
Contingency	230,250	-	-	-	230,250
Issuance costs	148,057	140,558	-	140,558	7,499
Total Expenditures	7,665,307	7,013,804	275,769	7,289,573	375,734
Revenues Over (Under) Expenditures	(7,665,307)	(6,979,928)	(275,769)	(7,255,697)	409,610
Other Financing Sources:					
Bond proceeds	7,293,307	7,326,749	-	7,326,749	33,442
Transfers from other funds:					
Water and Sewer Fund	206,100	206,100	-	206,100	-
Water Capital Reserve Fund	125,000	125,000	-	125,000	-
Sewer Capital Reserve Fund	607,000	125,000	482,000	607,000	-
Transfers to other funds:					
Water and Sewer Fund	(206,100)	(206,100)	-	(206,100)	-
Water Capital Reserve Fund	(125,000)	(125,000)	-	(125,000)	-
Sewer Capital Reserve Fund	(125,000)	(125,000)	-	(125,000)	-
Jordan Lake Rules Second Phase Project Fund	(110,000)	-	(110,000)	(110,000)	-
Total Other Financing Sources	7,665,307	7,326,749	372,000	7,698,749	33,442
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ 346,821	\$ 96,231	\$ 443,052	\$ 443,052

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS –
 JORDAN LAKE RULES SECOND PHASE PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2014

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total To Date	Positive (Negative)
Revenues:					
Investment Earnings	\$ -	\$ 17,395	\$ -	\$ 17,395	\$ 17,395
Total Revenues	-	17,395	-	17,395	17,395
Expenditures:					
Professional services -					
S. Burlington WWTP	1,118,000	895,630	274,869	1,170,499	(52,499)
Buildings –					
S. Burlington WWTP	1,400,000	-	-	-	1,400,000
Construction –					
S. Burlington WWTP	8,598,000	6,374,548	2,922,942	9,297,490	(699,490)
Issuance Cost –					
S. Burlington WWTP	186,279	116,708	2,250	118,958	67,321
Contingency –					
S. Burlington WWTP	800	-	-	-	800
Professional services-					
E. Burlington WWTP	1,195,000	1,012,216	361,464	1,373,680	(178,680)
Construction -					
E. Burlington WWTP	6,872,000	4,005,009	2,553,527	6,558,536	313,464
Issuance Cost –					
E. Burlington WWTP	186,279	116,708	2,250	118,958	67,321
Contingency –					
E. Burlington WWTP	350	-	-	-	350
Force Main Replacement-					
E. Burlington WWTP	893,000	-	-	-	893,000
Total Expenditures	20,449,708	12,520,819	6,117,302	18,638,121	1,811,587
Revenues Over (Under)					
Expenditures	(20,449,708)	(12,503,424)	(6,117,302)	(18,620,726)	1,828,982
Other Financing Sources:					
Bond proceeds	18,939,708	18,845,282	-	18,845,282	(94,426)
Transfer from other funds:					
Sewer Capital Reserve					
Fund	1,510,000	1,400,000	110,000	1,510,000	-
Total Other Financing					
Sources	20,449,708	20,245,282	110,000	20,355,282	(94,226)
Revenues and Other					
Sources Over (Under)					
Expenditures	\$ -	\$ 7,741,858	\$ (6,007,302)	\$ 1,734,556	\$ 1,734,556

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS –
 WHITES KENNEL ROAD WATER & SEWER LINES – GOLDEN LEAF PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2014

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted					
Intergovernmental:					
Golden Leaf Grant	\$ 695,000	\$ -	\$ 679,215	\$ 679,215	\$ (15,785)
Total Revenues	695,000	-	679,215	679,215	(15,785)
Expenditures:					
Construction	749,000	73,563	461,190	534,753	214,247
Total Expenditures	749,000	73,563	461,190	534,753	214,247
Revenues Over (Under) Expenditures	(54,000)	(73,563)	218,025	144,462	198,462
Other Financing Sources:					
Transfer from other funds:					
Sewer Capital Reserve	54,000	-	54,000	54,000	-
Total Other Financing Sources	54,000	-	54,000	54,000	-
Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	\$ (73,563)	\$ 272,025	\$ 198,462	\$ 198,462





INTERNAL SERVICE FUND
Combining Schedules
And Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS
June 30, 2014

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,646,036	\$ 978,639	\$ 6,337,015	\$ 8,961,690
Accounts receivable	535	138	5,115	5,788
Due from other funds	13	-	120	133
Prepaid Insurance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,646,584</u>	<u>\$ 978,777</u>	<u>\$ 6,342,250</u>	<u>\$ 8,967,611</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	<u>\$ 103,667</u>	<u>\$ 117,374</u>	<u>\$ 509,725</u>	<u>\$ 730,766</u>
Total Current Liabilities	<u>103,667</u>	<u>117,374</u>	<u>509,725</u>	<u>730,766</u>
NET ASSETS:				
Unrestricted	<u>1,542,917</u>	<u>861,403</u>	<u>5,832,525</u>	<u>8,236,845</u>
Total Net Assets	<u>\$ 1,542,917</u>	<u>\$ 861,403</u>	<u>\$ 5,832,525</u>	<u>\$ 8,236,845</u>

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For The Fiscal Year Ended June 30, 2014

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
Operating Revenues:				
Charges for services	\$ 502,496	\$ -	\$ 4,479,189	\$ 4,981,685
Total Operating Revenues	<u>502,496</u>	<u>-</u>	<u>4,479,189</u>	<u>4,981,685</u>
Operating Expenses:				
Salaries and employee benefits	-	258,933	153,813	412,746
Operating expenses	35,810	28,582	27,107	91,499
Claims paid, excess loss coverage and claims administration	<u>584,755</u>	<u>361,348</u>	<u>5,065,521</u>	<u>6,011,624</u>
Total Operating Expenses	<u>620,565</u>	<u>648,863</u>	<u>5,246,441</u>	<u>6,515,869</u>
Operating Income (Loss)	<u>(118,069)</u>	<u>(648,863)</u>	<u>(767,252)</u>	<u>(1,534,184)</u>
Non-Operating Revenues:				
Interest earned on investments	<u>3,458</u>	<u>2,796</u>	<u>23,062</u>	<u>29,316</u>
Total Non-Operating Revenues	<u>3,458</u>	<u>2,796</u>	<u>23,062</u>	<u>29,316</u>
Income (Loss) before transfers	(114,611)	(646,067)	(744,190)	(1,504,868)
Transfers from other funds	<u>-</u>	<u>396,424</u>	<u>105,002</u>	<u>501,426</u>
Change in net assets	(114,611)	(249,643)	(639,188)	(1,003,442)
Total net assets – beginning	<u>1,657,528</u>	<u>1,111,046</u>	<u>6,471,713</u>	<u>9,240,287</u>
Net Assets, End of Year	<u>\$ 1,542,917</u>	<u>\$ 861,403</u>	<u>\$ 5,832,525</u>	<u>\$ 8,236,845</u>

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Fiscal Year Ended June 30, 2014

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 502,196	\$ 701	\$ 4,488,043	\$ 4,990,940
Cash paid for goods and services	(573,811)	(386,121)	(5,092,167)	(6,052,099)
Cash paid to employees	<u>-</u>	<u>(258,933)</u>	<u>(153,813)</u>	<u>(412,746)</u>
Net cash provided by operating activities	<u>(71,615)</u>	<u>(644,353)</u>	<u>(757,937)</u>	<u>(1,473,905)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
(Increase) Decrease in due from other funds	<u>(2)</u>	<u>-</u>	<u>(23)</u>	<u>(25)</u>
Net cash provided (used) by noncapital financing activities	<u>(2)</u>	<u>-</u>	<u>(23)</u>	<u>(25)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer from other funds:				
General Fund	-	277,854	35,002	312,856
Water and Sewer	<u>-</u>	<u>118,570</u>	<u>70,000</u>	<u>188,570</u>
Net cash provided by capital and related financing activities	<u>-</u>	<u>396,424</u>	<u>105,002</u>	<u>501,426</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>3,458</u>	<u>2,796</u>	<u>23,062</u>	<u>29,316</u>
Net cash provided by investing activities	<u>3,458</u>	<u>2,796</u>	<u>23,062</u>	<u>29,316</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(68,159)	(245,133)	(629,896)	(943,188)
Balances – Beginning of Year	<u>1,714,195</u>	<u>1,223,772</u>	<u>6,966,911</u>	<u>9,904,878</u>
Balances – End of Year	<u>\$ 1,646,036</u>	<u>\$ 978,639</u>	<u>\$ 6,337,015</u>	<u>\$ 8,961,690</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Fiscal Year Ended June 30, 2014

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (118,069)	\$ (648,863)	\$ (767,253)	\$ (1,534,185)
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) Decrease in accounts receivable	(300)	701	8,855	9,256
(Increase) Decrease in prepaid insurance	-	-	-	-
Increase (Decrease) in accounts payable	<u>46,754</u>	<u>3,809</u>	<u>461</u>	<u>51,024</u>
Net cash provided by operating activities	<u>\$ (71,615)</u>	<u>\$ (644,353)</u>	<u>\$ (757,937)</u>	<u>\$ (1,473,905)</u>

CITY OF BURLINGTON, NORTH CAROLINA
DENTAL SELF INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

	<u>Financial Plan</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ 392,719	\$ -
Employee Premium	<u>-</u>	<u>109,777</u>	<u>-</u>
Total Operating Revenues	399,158	502,496	103,338
Non-Operating Revenues:			
Investment Earnings	<u>-</u>	<u>3,458</u>	<u>3,458</u>
Total Revenues	<u>399,158</u>	<u>505,954</u>	<u>106,796</u>
Expenditures:			
City of Burlington Claims		584,755	-
Operating expenditures		<u>35,810</u>	<u>-</u>
Total Expenditures	<u>574,163</u>	<u>620,565</u>	<u>(46,402)</u>
Revenues Over Expenditures	\$ (175,005)	\$ (114,611)	\$ 60,394
Fund balance appropriated	<u>175,005</u>		
Net change in fund balance	<u><u>-</u></u>		
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:			
Revenues Over Expenditures		\$ (114,611)	
Reconciling Items:			
Increase in allowance for unfilled claims		<u>-</u>	
Net Income		<u><u>\$ (114,611)</u></u>	

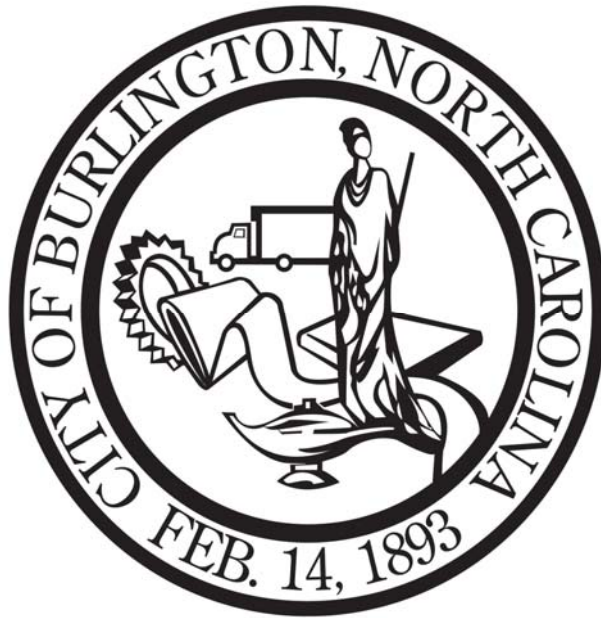
CITY OF BURLINGTON, NORTH CAROLINA
 WORKERS COMPENSATION SELF INSURANCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2014

	<u>Financial Plan</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-
Non-Operating Revenues:			
Investment Earnings	18,000	2,796	(15,204)
Totals Revenues	18,000	2,796	(15,204)
Expenditures:			
Salaries and employee benefits		258,933	
Operating expenses		28,582	
Contractual services		102,357	
Workers compensation		258,432	
Safety training		559	
Total Expenditures	889,320	648,863	240,457
Revenues Over (Under) Expenditures	(871,320)	(646,067)	225,253
Other Financing Sources			
Transfers from other funds:			
General Fund	277,854	277,854	-
Water and Sewer Fund	118,570	118,570	-
Total Other Financing Sources	396,424	396,424	-
Revenues and Other Sources (Under) Expenditures	\$ (474,896)	\$ (249,643)	\$ 225,253
Fund balance appropriated	474,896		
Net change in fund balance	-		
Reconciliation From Financial Plan (Modified Accrual) to Full Accrual Basis:			
Revenues Over Expenditures		\$ (249,643)	
Reconciling Items:			
Decrease in allowance for unfiled claims		-	
Net Income		\$ (249,643)	

CITY OF BURLINGTON, NORTH CAROLINA
GROUP HEALTH BENEFITS SELF INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2014

	<u>Financial Plan</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$	\$ 3,439,957	\$
City of Burlington Employee Premium		<u>1,039,232</u>	
Total Operating Revenues	4,315,902	4,479,189	163,287
Non-Operating Revenues:	-	<u>23,062</u>	<u>23,062</u>
Total Revenues	<u>4,315,902</u>	<u>4,502,251</u>	<u>186,349</u>
Expenditures:			
Salaries and employee benefits		153,813	
Operating expenditures		27,107	
Third party administration		291,484	
City of Burlington Claims		<u>4,774,037</u>	
Total Expenditures	<u>5,398,425</u>	<u>5,246,441</u>	<u>151,984</u>
Revenues Over (Under) Expenditures	\$ (1,082,523)	\$ (744,190)	\$ 338,333
Other Financing Sources			
Transfers from other funds:			
General Fund	35,002	35,002	-
Water and Sewer Fund	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Total Other Financing Sources	<u>105,002</u>	<u>105,002</u>	<u>-</u>
Revenues and Other Sources Over Expenditures	\$ (977,521)	<u>\$ (639,188)</u>	<u>\$ 338,333</u>
Fund balance, appropriated	<u>977,521</u>		
Net change in fund balance	<u>\$ -</u>		
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:			
Revenues and Other Sources Over		\$ (639,188)	
Reconciling Items:			
Increase in allowance for unfiled claims		<u>-</u>	
Net Income		<u>\$ (639,188)</u>	





OTHER SCHEDULES

OTHER SCHEDULES

This section includes additional information on property taxes and interfund transfers.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2014

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2013</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2014</u>
2013-2014	\$ -	\$ 27,223,859	\$ 26,736,230	\$ 487,629
2012-2013	684,795	-	340,772	344,023
2011-2012	209,925	-	27,399	182,526
2010-2011	160,235	-	30,946	129,289
2009-2010	97,129	-	11,317	85,812
2008-2009	96,044	-	12,742	83,302
2007-2008	87,319	-	8,582	78,737
2006-2007	83,570	-	4,487	79,083
2005-2006	94,563	-	6,720	87,843
2004-2005	72,085	-	7,087	64,998
2003-2004	77,092	-	61,821	15,271
1965-2002	<u>69,067</u>	<u>-</u>	<u>30,272</u>	<u>38,795</u>
	<u>\$ 1,731,824</u>	<u>\$ 27,223,859</u>	<u>\$ 27,278,375</u>	<u>\$ 1,677,308</u>
Less: Allowance for uncollectible accounts:				
General Fund				(653,148)
Special Revenue Fund				<u>(45,617)</u>
Ad Valorem Taxes Receivable - Net				<u>\$ 978,543</u>
<u>Reconcilement with Revenues:</u>				
Taxes - ad valorem - General Fund				\$ 27,190,631
Taxes - ad valorem - Special Revenue Fund				<u>155,166</u>
Total				27,345,797
Reconciling Items:				
Discounts allowed				313,753
Interest collected				(438,723)
Taxes written off				<u>57,548</u>
Total Collections and Credits				<u>\$ 27,278,375</u>

CITY OF BURLINGTON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY WIDE LEVY
For The Fiscal Year Ended June 30, 2014

	City-Wide			Total Levy	
	Property Valuation	Rate per \$100	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
City-Wide Levy:					
Original Levy:					
Property taxed at current year's rate	\$ 4,595,735,172	.58	\$ 26,655,264	\$ 24,004,473	\$ 2,650,791
Penalties	-		11,416	11,416	-
Total	4,595,735,172		26,666,680	24,015,889	2,650,791
Discoveries:					
Current year taxes	68,818,793	.58	399,149	388,056	11,093
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	68,818,793		399,149	388,056	11,093
Abatements and Adjustments:					
Advertising, interest and adjustments	-		(3,885)	(3,885)	-
Abatements	(44,491,379)	.58	(258,050)	(230,892)	(27,158)
Total	(44,491,379)		(261,935)	(234,777)	(27,158)
Total Property Valuation	\$ 4,620,062,586				
Net City Wide levy			26,803,894	24,169,168	2,634,726
Uncollected Taxes at June 30, 2014			(486,542)	(378,099)	(108,443)
Current Year's Taxes Collected			\$ 26,317,352	\$ 23,791,069	\$ 2,526,283
Current City-Wide Levy Collection Percentage			98.18%	98.43%	95.88%
Downtown Special Tax District:					
Original Levy:					
Property taxed at current year's rate	\$ 98,756,250	.16	\$ 158,010	\$ 156,569	\$ 1,441
Penalties	-		14	14	-
Discoveries:					
Current year taxes	3,750		6	-	6
Abatements and Adjustments:					
Abatements	(6,875)		(11)	-	(11)
Total Property Valuation	\$ 98,753,125				
Net Downtown Special Tax District Levy			158,019	156,583	1,436
Uncollected Taxes at June 30, 2014			(1,087)	(1,018)	(69)
Current Year's Taxes Collected			\$ 156,932	\$ 155,565	\$ 1,367
Current Downtown Special Tax District Levy Collection Percentage			99.31%	99.34%	95.19%



Statistical Section

This part of the City of Burlington's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	123-130
Revenue Capacity These schedules contain information to help the reader assess the city's most significant revenue source, the property tax.	131-134
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	135-139
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	140-141
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	142-144

Sources: Unless oth payroll system that was installed in June of 2006. Only nine years of data were available derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1
City of Burlington, North Carolina
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 49,762,940	\$ 48,383,850	\$ 44,355,341	\$ 42,802,718
Restricted	19,635,641	18,392,387	17,287,399	11,376,455
Unrestricted	49,905,470	49,958,695	54,423,395	60,773,388
Total governmental activities net assets	<u>\$ 119,304,051</u>	<u>\$ 116,734,932</u>	<u>\$ 116,066,135</u>	<u>\$ 114,952,561</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 107,207,635	\$ 105,523,250	\$ 85,748,070	\$ 97,111,037
Restricted	21,186,874	17,544,176	35,544,241	24,282,332
Unrestricted	36,428,343	34,109,701	33,404,248	31,292,633
Total business-type activities net assets	<u>\$ 164,822,852</u>	<u>\$ 157,177,127</u>	<u>\$ 154,696,559</u>	<u>\$ 152,686,002</u>
Primary government				
Invested in capital assets, net of related debt	\$ 156,970,575	\$ 153,907,100	\$ 130,103,411	\$ 139,913,755
Restricted	40,822,515	35,936,563	52,831,640	35,658,787
Unrestricted	86,333,813	84,068,396	87,827,643	92,066,021
Total primary government net assets	<u>\$ 284,126,903</u>	<u>\$ 273,912,059</u>	<u>\$ 270,762,694</u>	<u>\$ 267,638,563</u>

Fiscal Year					
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 39,828,855	\$ 41,007,895	\$ 38,362,340	\$ 36,184,194	\$ 35,180,314	\$ 34,883,928
30,330,078	26,384,988	23,458,009	25,085,657	17,798,695	15,781,629
43,528,565	41,653,949	40,317,116	31,377,433	28,535,344	25,390,153
<u>\$ 113,687,498</u>	<u>\$ 109,046,832</u>	<u>\$ 102,137,465</u>	<u>\$ 92,647,284</u>	<u>\$ 81,514,353</u>	<u>\$ 76,055,710</u>
\$ 109,690,950	\$ 109,331,715	\$ 107,080,492	\$ 106,829,594	\$ 102,785,481	\$ 104,670,547
13,188,880	12,414,038	10,161,377	5,917,865	4,682,220	5,558,529
28,245,081	23,327,332	22,666,013	18,172,728	17,554,426	11,936,626
<u>\$ 151,124,911</u>	<u>\$ 145,073,085</u>	<u>\$ 139,907,882</u>	<u>\$ 130,920,187</u>	<u>\$ 125,022,127</u>	<u>\$ 122,165,702</u>
\$ 149,519,805	\$ 150,339,610	\$ 145,442,832	\$ 143,013,788	\$ 137,965,795	\$ 139,554,475
43,518,958	38,799,026	33,619,386	31,003,522	22,480,915	15,781,629
71,773,646	64,981,281	62,983,129	49,550,161	46,089,770	37,326,779
<u>\$ 264,812,409</u>	<u>\$ 254,119,917</u>	<u>\$ 242,045,347</u>	<u>\$ 223,567,471</u>	<u>\$ 206,536,480</u>	<u>\$ 192,662,883</u>

Schedule 2
City of Burlington, North Carolina
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses										
Governmental activities:										
General government	\$ 9,149,871	\$ 9,309,902	\$ 8,586,996	\$ 9,782,111	\$ 9,215,323	\$ 8,490,313	\$ 7,635,312	\$ 7,733,445	\$ 6,836,967	\$ 6,834,386
Public safety	22,743,048	23,113,039	20,992,476	20,077,388	19,012,031	18,063,290	17,759,301	16,297,845	15,740,847	15,526,355
Public works	11,131,728	8,760,799	9,857,328	8,931,972	7,511,084	8,513,949	9,064,789	6,985,391	6,931,658	6,273,072
Economic and physical development	1,474,928	1,368,876	1,574,410	1,367,129	1,510,984	933,593	820,213	723,084	1,019,551	1,258,892
Cultural and recreation	6,957,606	6,993,217	6,675,802	7,113,741	6,566,740	6,311,568	6,074,962	6,055,589	6,738,048	6,758,306
Interest on long-term debt	363,756	1,378,315	766,290	644,306	786,832	742,906	817,062	830,820	758,857	634,554
Total governmental activities expenses	51,820,937	50,924,148	48,453,302	47,916,647	44,602,994	43,055,619	42,171,639	38,626,174	38,025,928	37,285,565
Business-type activities:										
Storm water	377,647	605,815	305,939	310,474	364,391	310,215	167,149	180,423	97,631	-
Water and sewer	22,143,804	22,903,847	23,462,426	21,863,677	18,713,655	19,700,880	20,085,892	20,170,270	18,751,389	17,716,510
Total business-type activities expenses	22,521,451	23,509,662	23,768,365	22,174,151	19,078,046	20,011,095	20,253,041	20,350,693	18,849,020	17,716,510
Total primary government expenses	\$ 74,342,388	\$ 74,433,810	\$ 72,221,667	\$ 70,090,798	\$ 63,681,040	\$ 63,066,714	\$ 62,424,680	\$ 58,976,867	\$ 56,874,948	\$ 55,002,075
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 2,979,252	\$ 2,688,109	\$ 2,661,120	\$ 2,507,577	\$ 2,281,618	\$ 2,498,973	\$ 2,799,530	\$ 3,244,533	\$ 2,670,060	\$ 1,890,103
Public safety	412,298	367,587	261,105	306,973	297,876	165,633	303,219	256,793	257,795	248,848
Public works	1,293,660	1,231,921	1,289,117	1,290,419	1,505,613	1,308,766	1,221,897	1,025,645	1,014,710	1,096,505
Economic and physical development				9,777						
Cultural and recreation	2,853,767	2,931,014	2,710,135	2,692,531	2,904,183	3,060,166	3,198,844	2,903,431	2,818,126	2,553,060
Operating grants and contributions	5,555,035	3,691,258	3,776,954	3,448,673	4,052,652	3,716,104	4,274,106	3,878,463	4,020,829	3,680,905
Capital grants and contributions		-	-	-	-	-	-	-	-	136,114
Total governmental activities program revenues	13,094,012	10,909,889	10,698,431	10,255,950	11,041,942	10,749,642	11,797,596	11,308,865	10,781,520	9,605,535

payroll system that was installed in June of 2006. Only nine years of data were available.

Business-type activities:

Charge for services:

Storm water	572,676	456,437	450,521	447,628	444,484	384,996	436,852	409,920	426,982	-
Water and sewer	20,876,779	20,331,989	21,246,324	21,290,176	22,341,844	20,458,936	21,783,210	19,523,541	19,491,890	17,164,878
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,435,648	66,500	248,674	162,641	1,352,089	3,744,889	3,478,513	3,721,422	670,974	2,069,678
Total business-type activities program revenues	23,885,103	20,854,926	21,945,519	21,900,445	24,138,417	24,588,821	25,698,575	23,654,883	20,589,846	19,234,556
Total primary government program revenues	\$ 36,979,115	\$ 31,764,815	\$ 32,643,950	\$ 32,156,395	\$ 35,180,359	\$ 35,338,463	\$ 37,496,171	\$ 34,963,748	\$ 31,371,366	\$ 28,840,091

Net (Expense)/Revenue

Governmental activities	\$ (38,726,925)	\$ (40,014,259)	\$ (37,754,871)	\$ (37,660,697)	\$ (33,561,052)	\$ (32,305,977)	\$ (30,374,043)	\$ (27,317,309)	\$ (27,244,408)	\$ (27,680,030)
Business-type activities	1,363,652	(2,654,736)	(1,822,846)	(273,706)	5,060,371	4,577,726	5,445,534	3,304,190	1,740,826	1,518,046
Total primary government net expense	\$ (37,363,273)	\$ (42,668,995)	\$ (39,577,717)	\$ (37,934,403)	\$ (28,500,681)	\$ (27,728,251)	\$ (24,928,509)	\$ (24,013,119)	\$ (25,503,582)	\$ (26,161,984)

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes										
Property taxes	\$ 26,866,560	\$ 26,742,991	\$ 24,769,222	\$ 25,121,552	\$ 25,790,731	\$ 24,116,052	\$ 22,908,219	\$ 22,052,513	\$ 19,031,183	\$ 18,737,396
Other taxes	10,407,641	9,934,320	9,696,455	9,554,263	8,539,976	9,335,642	9,905,788	9,956,747	8,686,534	7,722,097
Unrestricted grants and contributions	3,782,273	3,494,676	3,597,285	3,688,785	3,643,718	3,734,621	3,696,587	3,599,190	3,180,211	3,792,403
Unrestricted Investment earnings	68,363	204,072	142,306	193,058	377,042	1,554,532	2,235,375	2,725,717	1,620,694	759,283
Miscellaneous	171,207	472,707	366,626	368,102	112,988	285,982	171,730	139,223	186,929	204,794
Transfers	-	-	-	-	(262,737)	188,515	443,500	(23,150)	(2,500)	(135,802)
Total governmental activities	41,296,044	40,848,766	38,571,894	38,925,760	38,201,718	39,215,344	39,361,199	38,450,240	32,703,051	31,080,171

Business-type activities:

Unrestricted Investment earnings	220,117	223,281	147,210	129,388	253,715	643,067	1,037,433	1,273,104	813,760	373,969
Miscellaneous	6,061,956	4,912,023	3,686,193	1,705,409	475,003	132,925	1,099,668	1,297,616	299,339	775,561
Transfers	-	-	-	-	262,737	(188,515)	(443,500)	23,150	2,500	135,802
Total business-type activities	6,282,073	5,135,304	3,833,403	1,834,797	991,455	587,477	1,693,601	2,593,870	1,115,599	1,285,332
Total primary government	\$ 47,578,117	\$ 45,984,070	\$ 42,405,297	\$ 40,760,557	\$ 39,193,173	\$ 39,802,821	\$ 41,054,800	\$ 41,044,110	\$ 33,818,650	\$ 32,365,503

Change in Net Assets

Governmental activities	\$ 2,569,119	\$ 834,507	\$ 817,023	\$ 1,265,063	\$ 4,640,666	\$ 6,909,367	\$ 8,987,156	\$ 11,132,931	\$ 5,458,643	\$ 3,400,141
Business-type activities	7,645,725	2,480,568	2,010,557	1,561,091	6,051,826	5,165,203	7,139,135	5,898,060	2,856,425	2,803,378
Total primary government	\$ 10,214,844	\$ 3,315,075	\$ 2,827,580	\$ 2,826,154	\$ 10,692,492	\$ 12,074,570	\$ 16,126,291	\$ 17,030,991	\$ 8,315,068	\$ 6,203,519

Schedule 3

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**City of Burlington, North Carolina
Fund Balances, Governmental Funds,
Last Four Fiscal Years**

	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Restricted				
Stabilization by State Statute	\$ 6,954,980	\$ 6,901,755	\$ 6,113,452	\$ 6,163,934
Historic Books	1,418	1,418	1,418	1,418
Animal Shelter	562	562	562	562
Committed				
Capital Reserve Fund	16,925,388	16,620,740	18,323,847	18,603,387
Assigned				
Subsequent Years Expenditure	1,636,986	1,816,112	2,053,816	1,636,986
General Government	4,316,000	4,316,000	4,316,000	4,316,000
Parks and Recreation	1,381,370	1,428,771	1,321,156	1,398,269
Public Safety	5,450,000	5,450,000	5,450,000	5,450,000
Economic Development	3,000,000	3,000,000	3,000,000	-
Public Works	3,125,000	3,125,000	3,125,000	700,000
Unassigned	8,881,287	7,445,326	8,211,865	12,946,857
Total general fund	<u>51,672,991</u>	<u>50,105,684</u>	<u>51,917,116</u>	<u>51,217,413</u>
All Other Governmental Funds				
Restricted				
Stabilization by State Statute		-	-	5,014
Economic Development	6,881,935	7,178,068	7,400,720	7,606,888
Public Safety	497,277	396,767	345,649	375,237
Committed - Capital Improvements	1,280,743	980,769	977,891	1,204,506
Assigned				
Subsequent year's expenditures:	468,859	483,457	491,785	505,148
Unassigned	(41,105)	(7,575)	(156,794)	20,114
Total all other governmental funds	<u>\$ 9,087,709</u>	<u>\$ 9,031,486</u>	<u>\$ 9,059,251</u>	<u>\$ 9,716,907</u>

Note: The schedule above is after restating fund balance per GASB 54 statement.

Schedule 3 (Continued)
City of Burlington, North Carolina
Fund Balances, Governmental Funds,
Last Six Fiscal Years

	Fiscal Year					
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund						
Reserved	\$ 5,704,163	\$ 4,790,077	\$ 5,594,611	\$ 3,779,002	\$ 2,847,904	\$ 6,136,701
Unreserved	8,356,723	9,424,139	7,995,407	10,662,379	11,646,018	8,033,236
Designated for subsequent year's expenditures	17,746,673	16,916,736	17,484,970	13,397,095	9,580,099	8,400,210
Total general fund	<u>31,807,559</u>	<u>31,130,952</u>	<u>31,074,988</u>	<u>27,838,476</u>	<u>24,074,021</u>	<u>22,570,147</u>
All Other Governmental Funds						
Reserved	7,538,843	7,764,131	7,415,684	6,936,527	6,694,424	6,541,509
Unreserved, reported in:			7,975,904			
Designated for subsequent year's expenditures:						
Special revenue funds-Restricted	18,981,952	16,778,857	638,619	5,296,068	9,554,742	7,694,423
Capital projects funds-Committed	2,612,992	1,165,781	6,863,526	5,837,718	1,114,577	1,545,697
Total all other governmental funds	<u>\$ 29,133,787</u>	<u>\$ 25,708,769</u>	<u>\$ 22,893,733</u>	<u>\$ 18,070,313</u>	<u>\$ 17,363,743</u>	<u>\$ 15,781,629</u>

Note: The schedule above is pre-GASB 54.

Schedule 4
City of Burlington, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues				
Ad valorem taxes	\$ 27,149,806	\$ 26,425,908	\$ 24,720,911	\$ 25,984,094
Other taxes and licenses	10,970,124	10,496,181	10,261,128	10,086,790
Unrestricted intergovernmental	4,560,068	4,222,801	4,509,286	4,444,816
Restricted intergovernmental	5,293,541	4,114,494	4,023,377	3,868,203
Permits and fees	1,128,772	1,222,541	1,025,476	868,641
Sales and services	3,858,474	3,962,533	3,947,957	3,983,062
Investment earnings	125,548	261,564	249,731	189,248
Miscellaneous	773,474	610,474	353,006	288,747
Total revenues	53,859,807	51,316,496	49,090,872	49,713,601
Expenditures				
General government	8,490,457	8,053,763	7,713,558	8,316,294
Public safety	20,869,801	20,670,064	19,523,967	18,654,343
Public works	9,756,316	7,603,776	8,644,203	7,962,307
Economic and physical development	1,474,926	1,368,876	1,574,410	1,619,663
Culture and recreation	6,097,465	6,078,028	5,812,752	5,628,193
Debt service:				
Principal	2,857,008	10,446,422	2,691,898	2,841,286
Interest	358,419	674,661	723,597	778,504
Capital Outlay	3,638,530	4,615,107	3,148,952	4,599,040
Total expenditures	53,542,922	59,510,697	49,833,337	50,399,630
Excess of revenues over (under) expenditures	316,885	(8,194,201)	(742,465)	(686,029)
Other Financing Sources (Uses)				
Transfers from other funds	1,980,771	3,946,670	2,679,386	711,581
Transfers to other funds	(2,293,627)	payroll system t	(3,092,241)	(1,024,435)
Transfers to component unit			-	-
Capital lease obligations issued			-	-
Certificates of participation issued			-	-
Issuance of private activity bonds (RZED)			-	-
Proceeds from bond issuance			-	-
Issuance from installment purchase	1,619,502	6,667,859	1,267,473	991,857
Total other financing sources (uses)	1,306,646	10,614,529	854,618	679,003
Net change in fund balances	\$ 1,623,531	\$ 2,420,328	\$ 112,153	\$ (7,026)
Debt service as a percentage of noncapital expenditures	6.4%	20.3%	7.3%	7.9%

Fiscal Year					
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 24,852,944	\$ 23,944,594	\$ 22,959,919	\$ 22,020,569	\$ 18,993,866	\$ 18,524,056
9,081,632	9,910,654	10,425,711	9,956,747	9,194,171	8,173,551
4,298,234	4,344,070	4,492,768	4,284,884	3,745,537	3,947,053
4,651,477	4,208,258	4,816,213	4,241,322	4,352,292	4,149,194
700,723	810,402	1,428,348	1,918,985	1,341,313	734,605
4,046,529	4,224,621	3,957,048	3,673,388	3,576,218	3,324,187
301,575	1,184,744	2,097,076	2,273,169	1,577,263	677,657
424,952	492,277	301,892	312,095	566,928	1,048,006
48,358,066	49,119,620	50,478,975	48,681,159	43,347,588	40,578,309
8,238,393	8,007,500	7,529,925	7,774,715	7,101,680	6,310,133
18,584,573	17,527,448	17,587,449	16,130,108	15,718,644	14,972,428
6,924,894	7,688,216	8,186,747	7,158,072	6,999,791	5,660,416
1,522,589	933,595	817,368	722,891	1,048,340	1,275,662
5,498,179	5,687,867	5,408,875	5,525,920	6,388,082	5,966,471
2,793,551	2,748,834	2,548,160	2,688,134	1,748,916	1,629,609
705,857	770,893	838,078	874,616	753,937	630,911
2,948,353	3,644,647	7,360,677	5,713,214	471,920	439,308
47,216,389	47,009,000	50,277,279	46,587,670	40,231,310	36,884,938
1,141,677	2,110,620	201,696	2,093,489	3,116,278	3,693,371
2,725,287	3,781,627	2,407,433	2,454,576	1,845,882	2,991,440
(3,741,877)	(4,346,869)	(2,717,787)	(3,209,456)	(2,987,867)	(3,127,242)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,899,000	-	-	-	-	-
-	-	-	9,359,162	-	-
1,077,538	1,325,622	1,664,789	277,055	1,111,695	1,063,200
2,959,948	760,380	1,354,435	8,881,337	(30,290)	927,398
\$ 4,101,625	\$ 2,871,000	\$ 1,556,131	\$ 10,974,826	\$ 3,085,988	\$ 4,620,769

7.9%

8.1%

7.9%

8.9%

6.6%

6.4%

Schedule 5
City of Burlington, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30,	Real Property	Personal Property	Public Service Companies	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2014	\$ 3,719,982,981	\$ 880,157,173	\$ 65,804,603	\$ 45,882,171	4,620,062,586	\$ 0.580
2013	3,696,580,748	725,397,303	69,134,071	46,054,536	4,445,057,586	0.580
2012	3,577,135,670	647,804,267	68,040,422	47,077,773	4,245,902,586	0.580
2011	3,584,241,446	648,169,194	70,873,679	39,093,132	4,264,191,187	0.590
2010	3,547,546,834	640,124,432	74,014,766	24,980,100	4,236,705,932	0.590
2009	3,148,340,051	724,788,680	65,329,774	25,420,105	3,913,038,400	0.625
2008	2,998,789,899	702,223,245	71,968,398	24,782,192	3,748,199,350	0.625
2007	2,929,664,431	580,421,602	68,488,939	25,353,405	3,553,221,567	0.625
2006	2,825,617,455	577,276,951	66,643,479	25,250,317	3,444,287,568	0.555
2005	2,747,318,689	581,978,838	77,794,418	17,464,456	3,389,627,489	0.555

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Note: Alamance County does a revaluation every eight (8) years and only records increases and decreases in the other years. The last revaluation was done in 2009, with the next due in 2017.

Schedule 6
City of Burlington, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	Obligation Debt Service	Total Direct	Downtown Corp	Alamance County
2014	\$ 0.502	\$ 0.0775	\$0.580	\$ 0.160	\$ 0.540
2013	0.495	0.0810	0.580	0.160	0.520
2012	0.494	0.0852	0.580	0.160	0.520
2011	0.498	0.0916	0.590	0.160	0.520
2010	0.500	0.0903	0.590	0.160	0.520
2009	0.525	0.0996	0.625	0.160	0.580
2008	0.525	0.0998	0.625	0.160	0.580
2007	0.512	0.1134	0.625	0.160	0.575
2006	0.476	0.0791	0.555	0.160	0.563
2005	0.495	0.0596	0.555	0.160	0.510

Source: City of Burlington's Finance Department

Schedule 7
City of Burlington, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago

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Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Labcorp	\$ 130,305,180	1	2.82 %	\$ 89,933,966	1	2.90 %
Alamance Crossing LLC	68,233,529	2	1.48			
Roche	45,218,141	3	0.98			
Duke Energy Corp	33,632,413	4	0.73	23,818,366	3	0.77
PGS Burlington, LLC	28,778,649	5	0.62			
Carolina Hosiery	22,391,951	6	0.48	15,132,977	6	0.49
Ethan Pointe LLC	21,895,910	7	0.47			
Huffman Mill Plaza	21,103,934	8	0.46	13,803,810	7	0.45
Koury Properties	18,165,301	9	0.39			
Alamance Industrial Park	17,365,413	10	0.38			
Colonial Mall				32,357,289	2	1.05
Bell South				19,996,776	4	0.65
West Point Stevens				19,875,400	5	0.65
Meredith Webb				13,547,323	9	0.44
Hunters Bridge Apts.				13,652,408	8	0.44
Lowe's Home Improvement				12,763,786	10	0.38
Total	<u>\$ 407,090,421</u>		<u>8.81 %</u>	<u>\$ 254,882,101</u>		<u>8.22 %</u>

Source: City of Burlington Tax Department

Schedule 8
City of Burlington, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 26,803,894	\$26,317,352	98.18 %		26,317,352	98.18 %
2013	25,789,046	25,105,830	97.35	441,370	25,547,200	99.06
2012	24,636,120	23,819,010	96.68	643,288	24,462,298	99.29
2011	25,169,334	24,403,266	96.96	596,078	24,999,344	99.32
2010	24,993,044	23,825,333	95.33	845,636	24,670,969	98.71
2009	24,442,673	23,455,196	95.96	784,726	24,239,922	99.17
2008	23,439,381	22,583,026	96.35	692,486	23,275,512	99.30
2007	22,168,691	21,431,448	96.67	671,231	22,102,679	99.70
2006	19,113,060	18,542,350	97.01	580,962	19,123,312	100.05
2005	18,749,105	18,175,039	96.94	556,162	18,731,201	99.90

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Schedule 9
City of Burlington, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	RZED Bonds	Installment Purchase	Capitalized Leases	Certificates of Participation	General Obligation Bonds	Revenue Bonds	Revolving Loan	Certificates of Participation			
2014	\$ 8,994,345	\$ -	\$ 2,323,955	\$ -	\$ -	\$ 5,184,752	\$ 37,821,088	\$ -	\$ -	54,324,140	10.7 %	1,055
2013	10,189,321	-	2,382,461	-	-	6,384,745	39,433,399	-	-	58,389,926	12.1	1,138
2012	10,604,081	2,531,217	2,502,729	-	-	7,594,520	41,021,613	-	-	64,254,160	13.4	1,270
2011	11,724,945	2,725,926	2,615,271	-	-	8,817,338	23,135,863	-	-	49,019,343	10.2	981
2010	12,855,089	2,899,000	3,164,139	-	-	10,059,723	-	32,500	9,940,000	38,950,451	8.4	754
2009	13,979,593	-	3,758,602	-	-	11,342,853	-	-	10,650,000	39,731,048	8.6	780
2008	15,103,317	-	4,060,782	-	-	12,626,408	-	-	11,360,000	43,150,507	9.3	875
2007	16,118,945	-	4,617,391	-	-	13,903,542	-	-	12,075,000	46,714,878	10.9	980
2006	7,732,142	-	5,234,365	-	210,000	15,315,348	-	-	12,795,000	41,286,855	10.3	873
2005	7,970,338	-	5,392,596	-	420,000	16,180,387	-	1,000,000	13,515,000	44,478,321	11.5	954

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

Schedule 10
City of Burlington, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities	Business-Type Activities	Total	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)
	General Obligation Bonds	General Obligation Bonds			
2014	\$ 8,994,345	\$ 5,184,752	14,179,097	0.31 %	275.27
2013	10,189,321	6,384,745	16,574,066	0.37	323.04
2012	10,604,081	7,594,520	18,198,601	0.43	359.75
2011	11,724,945	8,817,338	20,542,283	0.48	411.15
2010	12,855,089	10,059,723	22,914,812	0.54	443.55
2009	13,979,593	11,342,853	25,322,446	0.65	497.23
2008	15,103,317	12,626,408	27,729,725	0.74	561.98
2007	16,118,945	13,903,542	30,022,487	0.84	629.51
2006	7,732,142	15,315,348	23,047,490	0.67	487.31
2005	7,970,338	16,180,387	24,150,725	0.24	517.76

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See Schedule 5 for property value data.

(2) Population data can be found in Schedule 14.

Schedule 11

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City of Burlington, North Carolina**Direct and Overlapping Governmental Activities Debt****As of June 30, 2014**

(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alamance County General Obligation Debt	\$ 72,794,159	33.37%	\$ 24,288,611
Alamance County Authorized & Unissued GO Debt	15,000,000	33.37%	5,004,923
Guilford County General Obligation Debt	778,375,000	10.15%	78,991,005
Other debt			
Alamance County Installment Loans	19,057,750	33.37%	6,358,838
Guilford County G.O. Bond Anticipation Notes	50,000	10.15%	5,074
Guilford County Authorized & Unissued Bonds	270,890,000	10.15%	27,490,443
Guilford County Limited Obligation Bonds	16,845,000	10.15%	1,709,463
Guilford County Installment Financing	5,102,338	10.15%	517,795
Subtotal, overlapping debt			144,366,152
City direct debt			12,571,782
Total direct and overlapping debt			\$ 156,937,934

Sources: Population data used to estimate applicable percentages came from the Office of State Budget & Management.

Debt outstanding data provided by each governmental unit.

(a) The percentage of overlapping debt applicable is estimated using population figures. Applicable percentages were estimated by dividing the City's population by the County's population.

Schedule 12
City of Burlington, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year	
Assessed value of taxable property	4,620,062,586
Debt limit (8% of assessed value)	369,605,007
Gross Debt:	
Total Bonded Debt	14,050,001
Private Activity Bonds	-
Certificate of Participation	-
Revenue Bonds	36,915,000
Lease Financing Agreements	2,323,955
Total Gross Debt	53,288,956
Less: Water and Sewer Bonds	(42,099,752)
Total net debt applicable to limit	11,189,204
Legal debt margin	<u>358,415,803</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 271,170,199	\$ 275,543,005	\$ 284,257,725	\$ 299,855,948	\$ 312,963,072	\$ 338,936,475	\$ 341,135,295	\$ 339,672,207	\$ 355,604,607	\$ 369,605,007
Total net debt applicable to limit	13,932,209	13,075,035	32,811,336	30,524,099	28,388,195	28,890,728	17,068,632	15,188,097	12,571,782	11,189,204
Legal debt margin	<u>\$ 257,237,990</u>	<u>\$ 262,467,970</u>	<u>\$ 251,446,389</u>	<u>\$ 269,331,849</u>	<u>\$ 284,574,877</u>	<u>\$ 310,045,747</u>	<u>\$ 324,066,663</u>	<u>\$ 324,484,110</u>	<u>\$ 343,032,825</u>	<u>\$ 358,415,803</u>
Total net debt applicable to the limit as a percentage of debt limit	5.14%	4.75%	11.54%	10.18%	9.07%	8.52%	5.00%	4.47%	3.54%	3.03%

Note: Under North Carolina Local Budget & Control Act, the city's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general payroll system that was installed in June of 2006. Only nine years of data were available. repaying general obligation bonds.

Schedule 13
City of Burlington, North Carolina
Pledged-Revenue Coverage
Last Four Fiscal Year
(dollars in thousands)

Fiscal Year	Water & Sewer Revenue Bonds (1)					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service (2)		Coverage
				Principal	Interest	
2014	\$ 21,065,349	\$ 14,998,174	6,067,175	\$ 1,060,000	\$ 1,115,095	2.8
2013	20,520,559	14,471,192	6,049,367	1,045,000	1,167,345	2.7
2012	21,389,894	14,385,550	7,004,344	960,000	1,302,469	3.1
2011	21,808,147	14,825,993	6,982,154	-	-	-

(1) The City issued Combined Enterprise System Revenue bonds, Series 2010A in the amount of \$11,825,000 and Combined Enterprise System Revenue bonds, Series 2010B in the amount of \$10,700,000 in December of 2010.

(2) No debt payments were made in fiscal year 6/30/11, the first payment was made in August of 2011.

Note: Operating expenses do not include interest, depreciation, or amortization expenses.
Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Schedule 14
City of Burlington, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population Estimates (1)	Alamance County Personal Income (2)	Alamance County Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2014	51,510	**	**	22,690	6.9%
2013	51,306	*	*	22,423	9.7%
2012	50,587	5,068,382	32,929	22,531	10.1%
2011	49,963	4,807,695	31,363	22,451	10.0%
2010	51,662	4,655,074	30,720	22,384	11.7%
2009	50,927	4,611,574	30,671	22,304	9.3%
2008	49,343	4,659,254	31,501	22,260	5.2%
2007	47,692	4,282,107	29,575	22,202	5.3%
2006	47,295	4,012,634	28,265	21,772	5.9%
2005	46,645	3,863,435	27,551	21,614	5.9%

* Not available until April, 2015

** Not available until April, 2016

Sources:

- (1) U.S. Census Bureau
- (2) U. S. Department of Commerce - Bureau of Economic Analysis
- (3) N. C. Department of Public Instruction
- (4) U. S. Department of Labor - Bureau of Labor Statistics

Schedule 15
City of Burlington, North Carolina
Principal Employers
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Alamance-Burlington School Sys	3,329	1	15.58 %	2,700	2	12.53 %
LabCorp, Inc.	2,500	2	11.70	3,300	1	15.31
Alamance Regional Medical Ctr	2,240	3	10.48	1,500	3	6.96
Elon University	1,403	4	6.57	886	4	4.11
Wal-Mart Stores, Inc.	1,000	5	4.68			
Alamance County Offices	956	6	4.47	865	5	4.01
City of Burlington	806	7	3.77	534	10	2.48
GKN Driveline North America	800	8	3.74	549	9	2.55
Alamance Community College	652	9	3.05	575	7	2.67
Honda Power Equipment	600	10	2.81	572	8	2.65
Total	14,286		66.86 %	11,481		53.28 %

Sources:

Alamance County Chamber of Commerce
Employment Security Commission of North Carolina

Schedule 16
City of Burlington, North Carolina
Full-time Equivalent City Government Employees by Function/Program
Last Nine Fiscal Years

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>								
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government									
Administration/Public Information	3	3	3	3	3	3	3	3	4
Customer Service/Collections	19	19	18	19	16	19	19	18	18
Finance	13	13	13	14	13	14	13	13	12
Information Technology	7	7	6	6	6	6	6	7	8
Legal	1	1	1	2	2	2	2	2	2
Human Resources	6	6	6	6	5	4	5	5	5
Planning	15	14	14	14	11	11	9	10	9
Inspections	9	9	9	9	10	11	14	13	13
Engineering/Traffic Control	14	14	14	14	18	17	18	18	17
Police									
Sworn Officers	125	123	122	124	115	112	106	105	112
Civilians	44	40	41	41	40	42	40	43	40
Fire									
Firefighter and officers	90	89	88	88	87	88	89	90	90
Civilians	1	1	1	1	1	1	2	2	2
Public Works									
Administration	4	4	4	3	2	2	2	2	3
Maintenance	23	24	24	24	22	23	24	22	23
Street	22	22	22	23	23	24	24	23	23
Cemetery	16	15	14	16	16	16	13	14	13
Sanitation	17	18	17	21	21	22	23	21	23
Recreation	44	43	42	43	42	41	44	45	42
Water and Sewer	86	90	88	86	84	87	84	86	83

Source: Full-time Equivalent Employee information was provided by the City of Burlington's payroll system that was installed in June of 2006. Only nine years of data were available.

Schedule 17
City of Burlington, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police										
Physical arrests	6,006	6,040	5,623	5,652	5,432	5,797	5,903	6,527	5,197	6,603
Parking violations	1,459	2,467	1,988	3,104	1,620	2,129	3,440	2,985	3,972	2,877
Traffic violations	7,175	6,727	5,248	5,903	5,612	4,793	6,063	8,651	7,414	11,192
Fire										
Emergency responses	7,688	7,914	7,481	4,992	5,056	5,064	4,375	4,501	5,071	3,386
Fires responses	1,946	2,074	2,173	2,125	2,061	1,610	2,036	1,438	1,571	1,632
Inspections	2,990	3,064	2,863	2,712	2,648	2,844	2,528	2,951	2,657	2,233
Refuse collection										
Refuse collected (tons per day)	66	66	72	72	73	69	79	76	74	78
Recyclables collected (tons per day)	27	29	21	23	29	33	30	31	28	28
Other Public Works										
Street resurfacing (miles)	3.15	3.59	7.73	5.8	13.4	0	7	35	30	7
Potholes repaired	162	89	63	100	542	335	101	100	100	100
Recreation and Parks										
Athletic field permits issued	157	155	150	94	103	82	82	75	70	63
Community center admissions	168,700	166,550	163,400	162,500	151,100	145,255	140,132	128,725	120,186	114,149
Water										
New connections	35	34	36	32	33	61	83	81	121	170
Water mains breaks	71	50	53	72	81	78	101	83	39	n/a
Average daily consumption (thousands of gallons)	10,284	11,313	12,114	10,995	11,875	10,200	12,461	11,586	11,755	9,800
Peak daily consumption (thousands of gallons)	15,964	16,106	21,577	18,460	19,000	19,000	18,897	16,670	17,469	15,300
Wastewater										
Average daily sewage treatment (thousands of gallons)	11,879	10,730	10,550	11,794	12,000	11,200	11,170	10,900	11,950	12,300

Sources: Various city departments.

Schedule 18
City of Burlington, North Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	6	7	7	7	7	6	4	3	3	3
Patrol units	151	151	151	148	144	141	134	133	130	130
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse collection										
Collection trucks	21	22	19	19	20	18	16	15	15	15
Other public works										
Streets (miles)	243.62	243.29	243.29	238.89	237.90	238	238	234	230	223
Highways (miles)	69.73	69.73	66.79	62.24	62.27	61	61	61	63	66
Streetlights	5,019	4,979	4,844	4,760	4,754	4,738	4,706	4,492	4,239	4,145
Traffic Signals	40	36	36	36	35	35	35	32	32	32
Recreation and parks										
Acreage	638.45	638.45	638.45	638.45	631.45	631.45	631.45	631.45	631.45	631.45
Playgrounds	21	21	21	21	16	16	16	16	16	16
Baseball/softball diamonds	17	17	17	17	17	17	17	17	17	17
Soccer/football fields	15	15	15	15	12	12	12	12	12	12
Community centers	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	390	388.76	387.29	385.82	385.12	383	376.15	360.22	350.00	342.80
Fire hydrants	2,196	2,190	2,284	2,064	2,064	2,032	1,900	1,900	1,886	1,846
Storage capacity (thousands of gallons)	14,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Wastewater										
Sanitary sewers (miles)	386.36	385.06	384.36	383.70	382.85	382.85	378.24	364.55	371.00	362.57
Storm sewers (miles)	221.3	147.9	219.63	219.63	213	113	100	100	100	-
Treatment capacity (thousands of gallons per day)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000

Sources: Various city departments.





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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Burlington, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprises the City of Burlington's basic financial statements and have issued our report thereon dated October 28, 2014. The financial statements of the Burlington Downtown Corporation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Burlington's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Burlington's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Burlington's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

STOUT STUART MCGOWEN & KINGS LLP

October 28, 2014



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A- 133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Burlington, North Carolina, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major federal programs for the year ended June 30, 2014. The City of Burlington's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Burlington's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Burlington's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Burlington's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Burlington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Burlington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Burlington's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

STOUT STUART McEDMON & KINGS LLP

October 28, 2014



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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A- 133; AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on Compliance for Each Major State Program

We have audited City of Burlington, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major state programs for the year ended June 30, 2014. The City of Burlington's major State program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major state program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Burlington's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City of Burlington's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the City of Burlington's compliance.

Opinion on Each Major State Program

In our opinion, the City of Burlington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Burlington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Burlington's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

STOUT STUART MCGOWEN & KINGS LLP

October 28, 2014

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014

Section I. Summary of Auditor's Result:

Financial Statements

Type of auditor's report issued		Unmodified
Internal control over financial reporting		
Material weakness(es) identified:	_____ Yes	_____ X _____ No
Significant Deficiency(s) identified that are not considered to be material weaknesses	_____ Yes	_____ X _____ None Reported
Noncompliance material to financial statements noted	_____ Yes	_____ X _____ No

Federal Awards

Internal control over major federal program		
Material weakness(es) identified:	_____ Yes	_____ X _____ No
Significant Deficiency(s) identified that are not considered to be material weaknesses	_____ Yes	_____ X _____ None Reported
Type of auditor's report issued on compliance for major federal programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	_____ Yes	_____ X _____ No

Identification of major federal program:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Program
16.005	Federal Asset Forfeiture Funds
16.710	Public Safety Partnership and Community Policing Grant
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs	_____ \$300,000 _____
Auditee qualified as low-risk auditee	_____ X _____ Yes _____ No

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014

Section I. Summary of Auditor's Result:

State Awards

Internal control over major State program:

Material weakness(es) identified _____ Yes X No

Significant Deficiency(s) identified that are not considered to be material weaknesses _____ Yes X None Reported

Type of auditor's report issued on compliance for major State programs _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act _____ Yes X No

Identification of major State program

Program Name

Powell Bill

Section II. Financial Statement Finding

None reported

Section III. Federal Award Findings and Questioned Costs

None reported

Section IV. State Award Findings and Questioned Costs

None reported

CITY OF BURLINGTON, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2014

None

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2014

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Grants:				
Cash Programs:				
<u>U.S. Department of Housing and Urban Development Direct Program:</u>				
Community Development Block Grant - Entitlement Grant	14.218	532,753		
Passed-through Greensboro Consortium:				
Home Investment Partnership Program	14.239	488,848		
Passed-through N.C. Housing Financing Agency:				
Stewart B. McKinney Homeless Assistance Act	14.000	65,000		
<u>U.S. Department of Justice</u>				
Direct Program:				
Office of Justice:				
Federal Asset Forfeiture Funds	16.005	300,196		
Office of Community Oriented Policing Services:				
Public Safety Partnership and Community Policing Grant	16.710	309,655		
Passed-through North Carolina Department Of Crime Control and Public Safety:				
Edward Byrne Memorial Justice Assistance Grant	16.738	35,842		
<u>U.S. Department of Transportation</u>				
Passed-through North Carolina Department of Transportation:				
Highway Planning and Construction Grant	20.205	198,028		
Federal Transit Metropolitan Planning Grants	20.505	20,000	2,500	73,354
<u>U.S. Department of Homeland Security</u>				
Passed-through North Carolina Department of Public Safety:				
Disaster Grants – Public Assistance	97.036	1,150,041		
Total assistance - federal programs		3,100,363	2,500	73,354

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2014

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
State Grants:				
Cash Assistance:				
<u>N.C. Department of Transportation:</u>				
Powell Bill			1,448,746	
<u>Piedmont Triad Council of Governments:</u>				
Division of Aging			12,209	-
Total assistance - State programs		-	1,460,955	-
Total assistance		\$ 3,100,363	\$ 1,463,455	\$ 73,354

Notes to the Schedule of Expenditures Federal and State Financial Awards:

1. The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the City of Burlington and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

City of Burlington:
 GASB 34 CALCULATION OF MAJOR FUNDS
 June 30, 2014

Note: Revenue includes operating and nonoperating but not other financing sources. Amounts should be taken from the fund statements instead of the government-wide.

Type of Fund	Assets	Computes "X" if Meets		Liabilities	Computes "X" if Meets		Revenue	Computes "X" if Meets		Expenditures/ Expenses	Computes "X" if Meets		Computes "MAJOR" if Fund is Major If a "Category" Has an "X" in Both Columns, Then Fund is a Major Fund
		10% Rule	5% Rule		10% Rule	5% Rule		10% Rule	5% Rule		10% Rule	5% Rule	
General Fund	38,354,978	N/A	N/A	3,607,375	N/A	N/A	51,872,960	N/A	N/A	51,219,877	N/A	N/A	YES, ALWAYS MAJOR
Special Revenue Funds:													
MPO Planning/trans.	404,560	-	-	16,497	-	-	214,302	-	-	256,198	-	-	-
Capital Reserve	16,925,388	X	X	-	-	-	29,108	-	-	-	-	-	Transfers is the only major activity not a stand alone fund
Substance Abuse	75,296	-	-	-	-	-	28,112	-	-	18,739	-	-	-
Rico	416,317	-	-	-	-	-	358,604	-	-	300,196	-	-	-
Home Program	6,979,825	X	-	3,257,677	X	X	232,352	-	-	488,848	-	-	MAJOR
Community Dev.	22,758	-	-	1,081	-	-	482,444	-	-	488,613	-	-	-
Downtown	62,550	-	-	62,550	-	-	152,627	-	-	152,627	-	-	-
Gulford Mackintosh	23,001	-	-	23,001	-	-	153,576	-	-	153,576	-	-	-
Rehab Loan	2,163,236	-	-	204	-	-	14,473	-	-	85,598	-	-	-
Medicare Part D	7,943	-	-	-	-	-	-	-	-	2,612	-	-	-
Bureau of Justice Asst. Comm. Oriented Policing	-	-	-	41,105	-	-	257,949	-	-	309,655	-	-	-
All Hazard Preparedness	-	-	-	-	-	-	-	-	-	-	-	-	-
Edward Byrne Justice Assistance	99,116	-	-	-	-	-	50,874	-	-	35,842	-	-	-
Rental Rehab	954,479	-	-	-	-	-	12,341	-	-	430	-	-	-
Total Special Revenue	28,134,469			3,402,115			1,986,762			2,292,934			
Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds:													
ERP System	609,122	-	-	-	-	-	60	-	-	3,135	-	-	-
ARRA Piedmont Way Widening and Sidewalk	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Fire Station No.6	273,024	-	-	-	-	-	-	-	-	26,976	-	-	-
Drainage Improvement	393,597	-	-	-	-	-	25	-	-	-	-	-	-
Total Capital Projects	1,280,743			-			85			30,111			
Total Governmental Funds	67,770,190			7,009,490			53,859,807			53,542,922			
10 % of Total Governmental Funds	6,777,019			700,949			5,385,981			5,354,292			
Enterprise Funds:													
Water and Sewer	210,943,666	X	X	47,132,746	X	X	25,386,850	X	X	19,981,929	X	X	MAJOR
Storm Water	1,602,325	-	-	8,205	-	-	561,597	-	-	365,816	-	-	-
Other Enterprise Fund 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Enterprise Funds	212,545,991			47,140,951			25,948,447			20,347,745			
10% of Total Enterprise Funds	21,254,599			4,714,095			2,594,845			2,034,775			
Total Governmental & Enterprise Funds	280,316,181			54,150,441			79,808,254			73,890,667			
5% of Total Governmental & Enterprise Funds	14,015,809			2,707,522			3,990,413			3,694,533			